Daily Report

Latin America

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Highlights of Ibero-American Summit Viewed
Castro 'Hopes' Summit Condemns Embargo

PY1510184895 Buenos Aires TELAM in Spanish 1411 GMT 15 Oct 95

[Report by special TELAM correspondents]

[FBIS Translated Text] Bariloche, 15 Oct (TELAM) — Cuban President Fidel Castro said today he is pleased to be in Argentina, and thanked the people in advance for the hospitality he feels certain will be extended to him during his stay.

The Cuban statesman told journalists at the airport in Bariloche: "I am very happy to be here, it is a dream come true to be here, in this well-known and famous place."

Castro, dressed in his traditional olive-green military uniform, said he was "deeply grateful for the expressions of support he received," upon arrival.

The Cuban president raised his hands to greet the journalists who were waiting at Bariloche airport and said: "Greetings to you all (journalists) and greetings to the Argentine people who welcome me this way."

Following this, Castro departed for the city of Bariloche where he will stay at the Lagos de Patagonia Hotel amid strict security measures until 17 October when the Fifth Ibero-American Summit of Presidents and Heads of Government will end.

Upon his arrival at the hotel, journalists asked Castro if the summit will issue a statement against the U.S. economic embargo that Cuba has been enduring since 1962, and Castro answered: "I hope so."

When he was asked if he drinks the champagne President Carlos Menem sends to Cuba for him, Castro answered: "Of course I do."

Brazil's Cardoso Opposes Embargo

PY1610004095 Sao Paulo AGENCIA ESTADO in Portuguese 2345 GMT 15 Oct 95

[Report by Tania Monteiro]

[FBIS Translated Text] Bariloche, Argentina, 15 Oct (AE) — President Fernando Henrique Cardoso today reaffirmed his support for extending the Social Emergency Fund (FSE) for four years, claiming that without this "it will be impossible to stabilize the real." President Cardoso arrived tonight in Bariloche with Senate President Jose Sarney (PMDB-AP) [Brazilian Democratic Movement Party-Amapa], who in recent days has stated his opposition to extending the FSE.

President Cardoso said he did not discuss the FSE with Sarney on their way to Bariloche. He did say, however: "The FSE is essential. Congress is aware of it. Without the FSE, it will not be possible to stabilize the real. The FSE will be approved."

Cardoso has come to Bariloche to attend the Fifth Ibero-American Summit of Heads of State and Government. The 21 Ibero-American foreign ministers today rejected the U.S. trade embargo on Cuba, an issue that will be discussed on 16 October by President Cardoso and Cuban President Fidel Castro.

Arriving in Bariloche, Cardoso endorsed the foreign ministers' position, but reaffirmed the need for the Cuban Government to consolidate democracy on the island. He said: "Cuba must be readmitted to the inter-American system, but progress must be made toward consolidating democracy in Cuba."

[In a 50-word Bariloche-datelined item, Buenos Aires TELAM in Spanish at 2232 GMT on 15 October adds: "Shortly upon his arrival in Bariloche this afternoon, President Cardoso said he will meet Argentine President Carlos Menem on 17 October. Cardoso said: 'We will of course discuss the Common Market of the South, but I would also like to thank Argentina for sponsoring Brazil's joining the Missile Technology Control Regime.'"]

Bolivia: U.S. Should Lift Embargo

PY1610010695 Madrid EFE in Spanish 2355 GMT 15 Oct 95

[FBIS Translated Text] Bariloche, Argentina, 15 Oct (EFE) — Bolivian President Gonzalo Sanchez de Lozada stated today in Bariloche that if Cubans are to be allowed to pursue their reforms and progress — if they so wish — in the transition toward full democracy, they must do it without being subject to economic or trade pressures.

The Bolivian head of state said the embargo "is not advantageous because it has not yielded any benefits," adding that the United States should end coercive measures enforced on the Cuban regime.

Sanchez de Lozada arrived in Bariloche today to participate in the Ibero-American Summit of Heads of State and Government on 16-17 October.

Ministers Approve Final Declaration

PY1610024395 Buenos Aires TELAM in Spanish 0034 GMT 16 Oct 95

[Report by special TELAM correspondents in Bariloche]

[FBIS Translated Text] Bariloche, 15 October (TELAM) — The foreign ministers of the coun-

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tries participating in the Fifth Ibero-American Summit of Heads of State and Government today approved the final declaration in which the embargo on trade with Cuba imposed by the United States is condemned.

Foreign Minister Guido Di Tella stated today that the final declaration will also state that democracy and respect for human rights constitute the fundamental principles governing the countries of the region.

He said: "Collective documents generally expound concepts, reducing wordage to the absolute minimum for the sake of a consensus. Nevertheless, the important thing about this declaration is that it broaches the issue of the embargo and the democratization of Cuba."

The reference to the embargo and the hoped-for democratization of the Cuban regime, which synthesizes Argentina's stance at this summit, is included in the third part of the declaration dealing with economic, political, and social matters under the general subheading of "Matters of Special Interest," which comprises 35 points.

The inclusion of the paragraph demanding the lifting of the embargo was proposed three weeks ago by the Cuban diplomatic service to the Argentine Foreign Ministry, which is in charge of "drafting" the declaration.

The Argentine Foreign Ministry informed the other Ibero-American countries of Cuba's request, to which they acquiesced.

Argentina proposed that the third part be introduced as an expression in favor of democracy and human rights, which was also accepted.

Di Tella noted: "We thought Cuba would reject the inclusion of that sentence, and yet, it approved it."

The foreign minister added that both issues will be discussed again tomorrow during the first day of the meeting of heads of state and government, but with greater "emphasis and without euphemisms."

Argentina also included points on drug trafficking and terrorism. The foreign minister said: "These are new topics that were not discussed in previous summit documents, which shows there has been progress in consensus."

At Chile's suggestion, and with the endorsement of all Latin American countries bordering on the Pacific Ocean, the final declaration will include a paragraph condemning the nuclear tests conducted by France and the PRC.

This paragraph will echo a statement made at the latest Rio Group presidential meeting held in Quito last month. Di Tella said the important change is that Spain and Portugal — two EU members — now join in condemning nuclear tests.

The EU had so far condemned the proliferation of nuclear weapons, but not to the explicit level the Ibero-American nations will do.

The foreign minister said the final declaration includes a paragraph on relations between the EU and Mercosur [Common Market of the South], which will sign "what will become the first interregional agreement."

The final declaration is divided into three parts. The first deals with education. It mentions the commitment of signatory countries to considerably increasing their education budgets.

Di Tella stated: "This part was approved without debate, which is indicative of the broad consensus on the role education plays in the economic and social development of nations."

The second part deals with cooperation programs among countries. The third part, having a political and social content, "was the most controversial," even though it was finally approved in general terms.

The foreign ministers held their meeting at the Bustillo Hall of the Llao-Llao Hotel this morning.

Pro-Castro Supporters Demonstrate

PY1610023395 Madrid EFE in Spanish 0009 GMT 16 Oct 95

[FBIS Translated Text] Bariloche, 15 Oct (EFE) — About 1,000 people demonstrated in support of Cuban President Fidel Castro in downtown Bariloche this afternoon. The demonstrators carried a huge sign with Che Guevara's picture.

"Lets be realistic and demand the impossible," read this sign that the demonstrators carried at the head of the march. Most demonstrators shouted slogans supportive of "socialist Cuba."

Castro arrived in Bariloche on 15 October to attend the Fifth Ibero-American Summit of Heads of State and Government.

The demonstrators carried pictures of Fidel past the Lagos de Patagonia Hotel where Castro is staying, although by then the Cuban leader — dressed in a dark blue suit and matching scarf — had left for the dinner being held for the visiting dignitaries.

The Cuban president also received the support of about 200 people at the door to the hotel.

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The demonstrators chanted slogans against Argentine President Carlos Menem, the host of this summit, who has repeatedly voiced his objections to Castro's regime.

"Menem is on the side of the Yankees" read one of the signs that the demonstrators carried while Castro was out sightseeing.

Most of the people chanting pro-Castro slogans are members of the organization of Castro's supporters called Movement of Solidarity with Cuba.

Spanish Prime Minister Felipe Gonzalez said when he arrived in Bariloche that Cuba's political and economic situation will not be one of the summit's key issues, despite the interest that Castro's presence at the Ibero-American meeting has awakened among the media.

"The main issue of the summit is education," the Spanish prime minister said.

He added that the 15 member countries of the EU "have practically decided" on a cooperation agreement with Cuba.

Gonzales made these remarks after meeting with Mexican President Ernesto Zedillo, who said he was pleased with the relations between his country and the EU.

Nonaligned Movement Summit Highlights Viewed

'Anti-Imperialist' Protest at Summit Site

PA1410024595 Madrid EFE in Spanish
0100 GMT 14 Oct 95

[FBIS Translated Text] Cartagena, Colombia, 13 Oct (EFE) — Approximately 50 members of unions and leftist parties held an "anti-imperialist" protest today and burned a U.S. flag in the center of Cartagena (Colombia), where the XI Nonaligned Movement (NAM) Summit will begin tomorrow.

The protest, in which members of the Revolutionary Independent Worker Movement (MOIR), among other groups, took part, was carried out at Centenario Plaza downtown, in front of the Convention Center of this Caribbean city, in which the deliberations of the NAM Summit will take place until 20 October.

Participants in this protest, advertised as the "great march for dignity," yelled out slogans against U.S. "imperialism" and rejected "the country's repudiation of foreign intervention," in reference to the recent diplomatic differences between Colombia and the United States. [sentence as received]

Last month the administration of Colombian President Ernesto Samper, who is under investigation for the alleged financing of his electoral campaign with drug trafficking money, confronted a bilateral crisis when certain Colombian officials accused the United States of destabilizing the government.

In the protest, a speech from independent parliamentarian Carlos Alonso Lucio was expected. He accused the DEA 15 days ago of "conspiring" against Colombia and presented recordings of alleged U.S. officials lashing out against Colombia.

According to local journalists, Lucio, a former guerrilla, abstained from making a speech with new criticism against the United States, after state officials warned him this act may "undermine the country's image," given the presence of foreign delegates who will participate in the XI NAM Summit.

Summit Begins; FARC To Contact Castro

PA1410203795 Santa Fe de Bogota Inravision Television Canal A Network in Spanish
1800 GMT 14 Oct 95

[Report by Adriana Escobar and Ivan Dario Parra from Cartagena; from the "Cripton Newscast"]

[FBIS Translated Excerpt] [Escobar] Colombian Foreign Minister Rodrigo Pardo Garcia-Pena inaugurated the Nonaligned Summit. Since 0900, delegations from various countries have attended at the Getsemani Convention Center. This morning, foreign ministers from 113 nonaligned countries officially inaugurated the 11th Summit here in Cartagena de Indias Convention Center. During the summit, on behalf of Indonesia's president, the Indonesian ambassador gave the nonaligned presidency to Foreign Minister Rodrigo Pardo and Colombia's UN Ambassador Julio Londono.

[Begin Pardo recording] We address you today with the profound conviction and complete confidence that this week's work will be successful to guide, continue, and redirect this movement through the traditional and new scenarios in the international system. [end recording]

[Escobar] At this time, the foreign ministers and ambassadors are attending an informal lunch at the Cartagena mayor's office. After the summit inauguration is over, informality returns. Our colleague Ivan Dario Parra is with Colombian Foreign Minister Rodrigo Pardo Garcia-Pena. Go ahead, Ivan Dario.

[Parra] Good afternoon, Adriana. We are at the Cartagena mayor's office with Foreign Minister Rodrigo Pardo. The summit was officially inaugurated this morning. Dr. Pardo, how many countries have thus far participated? Particularly, have President 'Arafat and Cuban President Fidel Castro confirmed they will come to Cartagena?

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[Pardo] Yes, 95 member countries are already here in Cartagena. Moreover, there are some 20 countries taking part as observers and permanent guests for a total of 125 to 130 countries. About 45 to 50 heads of states will represent their countries, who will arrive beginning this week. In fact, Yasir 'Arafat, President Castro, UN Secretary General Butrus Butrus-Ghali, the Indian prime minister, the Egyptian president, and Pakistani Prime Minister Benazir Bhutto have confirmed their participation. I believe we have very important figures present at this Cartagena summit.

[Parra] Here is our report from Cartagena's mayoral office. We return to another point in this heroic city with Adriana Escobar. Go ahead, Adriana. [passage omitted]

[Escobar] Unquestionably, another main point is the presence of Palestine leader Yasir 'Arafat and Fidel Castro. Colombian authorities intend to hinder any guerrilla attempts to contact 'Arafat or Castro.

[Parra] Over the past few hours, security institutions have detected at least one FARC [Revolutionary Armed Forces of Colombia] guerrilla plan by the secretariat general of this subversive organization to contact Cuban President Fidel Castro and PLO leader Yasir 'Arafat to seek mediation for support from leftist international organizations. Both world leaders will stay at the Hotel Santa Clara and, according to military intelligence, contact could be made in a bar near the walled city where security was doubled.

Official sources have established that the guerrillas intend to take advantage of the long and close friendship between Fidel Castro and Nobel prize winner Gabriel Garcia Marquez. Foreign Minister Rodrigo Pardo said 'Arafat and Castro will not meet any Colombian guerrillas. If this happens, it would be described as a serious incident and would affect diplomatic relations with these nations.

[Escobar] Thus far, this is all the information available in Cartagena, where President Samper will arrive to join discussions at this important summit.

NAM Presidency Transferred to Colombia

PA1510035095 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 15 Sep 95

[From the "AM/PM Newscast"]

[FBIS Translated Text] [Station announcer Anna Cristina Bueno] The Nonaligned Movement [NAM] summit began in Cartagena today. This is the most important summit ever held on the Latin American continent. Margarita Meza, Olga Helena Fernandez, and Holman Morris are in Cartagena. Good evening, Margarita.

[Meza] Good evening, Anna Cristina. Beginning today, Cartagena will host the event in which a number of sultans, presidents, and military officers of the Third World will decide the fate of the NAM.

[Morris] Indonesia and Colombia were the two key players in today's activities. This is how the NAM presidency was transferred from Indonesia over to Colombia.

Foreign Minister Rodrigo Pardo opened the first working session of the 11th summit. Delegates from member countries spent their time studying the documents the heads of state will sign on 18 October. The "AM/PM Newscast" has learned of some points up for discussion. The first was Japan's request to join NAM as a guest country. Second, the entry of Bosnia and Costa Rica as full-fledged members and Macedonia as an observer was discussed.

At the end of the first day of work, we spoke to Nana Sutresna, the Indonesian who led NAM over the past three years, and his Colombian colleague to the United Nations. The presidency of the movement was transferred from Sutresna to Julio Londono Paredes today:

[Begin recording] [Londono Paredes, Colombian ambassador to the United Nations] NAM will not simply discuss political positions but will discuss social and economic issues.

[Sutresna, in English fading into Spanish translation] We are confident Colombia will maintain the spirit of cooperation established by Indonesia. [end recording]

In addition, Sutresna said he believes Colombia will give new momentum to this world political force that is NAM:

[Begin recording] [Sutresna, in English fading into Spanish translation] Colombia has a great sense of leadership that will promote the group at the world level.

[Londono Paredes] Our positions and views are fundamental within the context of world policy. [end recording]

[Morris] This is how Colombia has begun to lead a significant political force in the world for the next three years.

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Politics, Security Main Issues at Summit

PA1510205295 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 15 Oct 95

[From the "Cripton" newscast]

[FBIS Translated Excerpt] The delegations at the Nonaligned Summit are advancing discussions to draft the Cartagena Declaration within the framework of the 11th Nonaligned Movement summit. The movement is facing an identity crisis today as Colombia prepares to assume its presidency for the next three years. [passage omitted]

[Begin unidentifed reporter recording] In Cartagena the movement is not discussing communism or capitalism or armed conflicts promoted by the powers. No, the issues in Cartagena are different: Reform of the United Nations, the struggle against poverty, disarmament, and the defense of the environment. They are all important but amount to nothing more than a compendium of good intentions.

A strong element is needed: politics, the basic issue. Colombia will assume for three years the presidency of the weakened Nonaligned Movement. What will our country gain from this? Actually little. What will Colombia risk? A lot, because the United States views the Nonaligned Movement with mistrust. If we add to this the incidents of the past days between the governments of Bogota and Washington, the presidency of the nonaligned for our country will constitute nothing more than another thorn in the side for the government of President Samper. [end recording] [passage omitted]

Local transportation for the main personalities attending the summit will be mostly done through maritime means to increase the security that should always surround them, and this is a matter of special concern among the security corps tasked with protecting the delegations:

[Begin unidentified reporter recording] To prevent Islamic terrorism from using suicide bombers, the national police will bring to Cartagena from Bogota the 26 best trained antibomb dogs. These fierce animals sniff not only suitcases, but any visitor regardless of rank. Most presidents and heads of government will travel from their hotels to the convention center through maritime means. All of Cartagena Bay is being guarded by corvettes, a submarine, and several patrol launches. Meanwhile, Air Force helicopters are overflying the entire city around the clock. [end recording] [passage omitted]

Colombian Foreign Minister on Objectives

PA1610040595 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 16 Oct 95

[Report by Hollman Morris; from the "AM/PM Newscast"]

[FBIS Translated Text] The Nonaligned Movement [NAM] Technical Commission today continued evaluating formulas of cooperation that will help millions of inhabitants from nonaligned countries to overcome the dire poverty which they are currently going through.

Today, nonaligned nations specialists concluded outlining the document which will be presented tomorrow to their respective foreign ministers, thus ending the first phase of this summit.

The most controversial issue during the technical discussions of the political aspects was the one dealing with differences between industrialized and Third World nations. The final document had to be modified on nearly 80 occasions. In addition, the current international situation was intensely discussed.

During the afternoon hours, Morroco raised a proposal to congratulate Colombia, especially Dr. (Helkin Patarroyo) for his recent discovery of an anti-malaria vaccine, a motion that was strongly applauded and seconded by Malaysia, Cuba, and Benin.

The technical document will be ready by tonight in time for a final review, which the NAM foreign ministers will carry out tomorrow.

Throughout the day, numerous foreign relations ministers continued to arrive in Colombia.

Those who believe that Colombia will begin its presidency of the NAM by speaking harshly might be in for a surprise and completely removed from political reality. Colombia will not speak harshly, and it has its reasons why it has decided not to do so.

Colombia has practically never been a main voice in international politics. In fact, according to some experts, the country would seem to march more to whatever tune played by the United States.

The country's present position in the international setting would seem to be due more to the commotion caused by the drug traffickers than to the melody played by the state.

To this we now also have to add the current crisis the country is going through which, according to some observers, only hinders the new NAM president's capacity to maneuver.

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[Begin recording] [Foreign Minister Rodrigo Pardo] Colombia is a member of the Nonaligned Movement precisely because it has problems just like the other 112 member countries. [end recording]

Colombia expects to meet the nonaligned nations' commitment through three basic fronts:

First, by selling the idea of a social leap at an international level, and there is no doubt whatsover that nearly 500 million people in the nonaligned nations could die of famine.

Second, by promoting South-South cooperation, because the vast diversity within the nonaligned nations can offer favorable exchange and form a barrier that can prevent these nations from falling into the hands of the industrialized nations.

Last, and in tune with tradition, Colombia will promote nonconfrontation with the North since, according to the government, the time for confrontations are long gone, and it is time for cooperation and equilibrium.

[Begin Pardo recording] I aspire for a new spirit to come out of Cartegena, a spirit of modernization, an idea that we want a valid, new NAM and that for this end we need a modern movement. [end recording]

Such is the foreign minister's tune, which is in fact the country's tune, and nothing would seem to indicate that heading the Nonaligned Movement will make this tune change.

Correction to Mercosur, EU Trade Agreement

PY1210152395

The following correction pertains to the item headlined "Mercosur, EU Sign 'Historic' Trade Agreement," published in the 12 October Latin America DAILY REPORT, page 1:

Column two, paragraph six, only sentence of referent item, please make read: ...prevent restrictive or unfair practices. [new paragraph]

Customs. There will...(changing word "unloyal" to "unfair")

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Cuba

Minister Discounts Helms-Burton Bill's Economic Effects

PA1310143695 Havana PRENSA LATINA in Spanish 0219 GMT 12 Oct 95

[FBIS Translated Text] Havana, 11 Oct (PL) — A high-ranking Cuban official today assured that the Helms-Burton bill and its provisions for reinforcing the U.S. blockade of the island will no longer affect the local economy.

Economy and Planning Minister Jose Luis Rodriguez told PRENSA LATINA: Although we are prepared to face the mounting difficulties of an already difficult situation, I do not think that they will affect our strategy.

When asked about economic indicators at the end of the third trimester in Cuba, Rodriguez noted that there was a two percent increase in the first half of the year. He added that there is a high probability that the country will close 1995 with that growth rate.

Rodriguez, who is also Cuban Council of Ministers vice president, stressed that the Foreign Investment Law, which the National Assembly of the People's Government (parliament) passed recently, has been well received.

He explained that the new law dispelled many myths about whether it would be restrictive or create difficulties for investors.

It has shown that it makes things easier, that it is nondiscriminatory, and that it was created with an open mind; so far, the most serious businessmen have reacted positively.

Rodriguez revealed that about 200 new foreign investment projects are being reviewed at this time, in addition to the 200 projects of this type that already exist.

Reportage on Fidel Castro's Official Visit to Uruguay

Castro Speaks at Dinner, Views Embargo

PA1410221595 Havana PRENSA LATINA in Spanish 0733 GMT 14 Oct 95

[By Lidice Valenzuela and Osvaldo Burgos]

[FBIS Translated Text] Montevideo, 14 Oct (PL) — Cuban President Fidel Castro today reiterated that only a sense of pride, independence, freedom, and social justice has enabled his people to withstand the U.S. economic blockade, which has been in effect for 30 years.

The Cuban leader gave a 27-minute speech last night at a dinner offered in his honor at the Independence Building, the former Government House and current headquarters for official ceremonies. Uruguayan President Julio Maria Sanguinetti also spoke at this event.

Elegantly attired, wearing a navy blue suit and speaking in a moderate tone, Castro recounted this more than 30-year-old squabble with Washington, which has turned his country into the world's only blockaded state, even though, he said, most of the nations have often stated their opposition against that measure in the United Nations.

The blockade is an act of genocide, a sentence imposed on women, men, and children, although, he said, we know this is the price we must pay for freedom.

In his speech, Fidel Castro, who arrived in Uruguay yesterday afternoon, recalled that many people thought his country would surrender after the collapse of the socialist bloc and the Soviet Union.

He said that everyone thought Cuba would not last and that Cuba has survived and will survive, because its spirit is up and its state of mind is becoming stronger even amid difficult circumstances.

He later recalled that Cubans have endured very difficult trials and, in this regard, clarified that a country loses everything when it suddenly loses 75 percent of its market.

Our people, the Cuban president said, have been able to withstand these hardships thanks to their principles, consciousness, and the ideas, which he warned, we have nourished through all these years.

Castro expressed his gratefulness to Sanguinetti for his courage to invite him to visit Uruguay under the current political situation. Castro said unity has been the foundation upon which Cuba has been able to keep its spirit up.

After recalling that the island does not have oil, he affirmed that the people had to get used to using means of transportation such as bicycles and had to make numerous sacrifices to survive.

The Cuban president wondered about the reasons why the United States is still maintaining its brutal and absurd blockade, which a conservative group is now trying to strengthen through the Helms- Burton bill, which is based on interfering in the rights of other nations.

He said later his country does not expect everyone to agree or think the same way as Cuba, which has been struggling on behalf of independence, freedom, and dignity against a country used to giving orders in a hemisphere, which, he said, it has kept divided.

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The distinguished guest added that he thought of the need 36 years ago, when he visited Uruguay for the first time, to establish unity and create a common market, in addition to many other things now being discussed.

He also recalled his speech in Buenos Aires, a few days before he arrived in Montevideo on that occasion, when he stated the need for the developed countries to help the poorer countries of Latin America.

Then, he said, I stated that these countries needed $30 billion in aid for their development. Now, he admitted, I realize I was very wrong, because this figure is ridiculous in light of the situation triggered by the continent's foreign debt, which amounts to $534 billion.

In another portion of his speech, the president mentioned the ties of friendship and solidarity between the peoples of Uruguay and Cuba. These ties, he said, reached their highest point when this country designated Jose Marti as consul in New York in 1884 and its representative to the Economic Conference in Washington in 1891.

Meanwhile, the president of Uruguay stressed his country's position against the U.S. embargo of Cuba and, citing Jose Marti, he mentioned the need for integration among the peoples of Latin America.

Sanguinetti said Uruguay was always against the blockade, because it considered it anachronistic and unjustifiable.

The Uruguayan president said he welcomes the Cuban chief of state as part of his country's old democratic tradition and expressed his hope that the meeting will lead to a sincere and mature dialogue on topics of bilateral and international interest.

Once the dinner was over, the Cuban leader listened to a performance of a string quartet and complimented the performers.

Both during his arrival and departure from the Independence Building, Castro was welcomed by an impressive crowd, which expressed its support for the Cuban Revolution.

Castro, Sanguinetti Meet

PA1410221695 Havana PRENSA LATINA in Spanish 1842 GMT 14 Oct 95

[Report by Lidice Valenzuela and Osvaldo Burgos]

[FBIS Translated Text] Montevideo, 14 Oct (PL) — Cuban President Fidel Castro today received the keys to the city of Montevideo from the capital's mayor, Mariano Arana, during an emotional ceremony followed by thousands of people who constantly follow the Cuban leader's activities.

Fidel arrived at the town hall, an ancient building known as the "Brick Palace," at 1500 local, amid applause and the waving of Cuban and Uruguayan flags.

Revolutionary slogans that have been chanted for 30 years, but that are still valid, accompany the movements of the Cuban leader and his delegation, which is comprised by Foreign Minister Roberto Robaina, Economy and Planning Minister Jose Luis Rodriguez, and State Council members Jose Miyar Barruecos and Felipe Perez.

Shortly after his arrival at the intendance, the illustrious visitor received a salute from Arana, who immediately stressed the high honor of granting him the keys to the capital, population 1.5 million.

Moreover, Fidel Castro stated his gratitude not only to the Municipal Intendance for the affectionate gesture it entails but also for the high degree of friendship and solidarity between Cuba and Uruguay.

Shortly before this event, the Cuban head of state met privately with President Julio Maria Sanguinetti at the Suarez Residence. In the meeting, according to political sources, they analyzed issues of bilateral interest, including the island's debt with Uruguay.

Fidel arrived at the presidential residence at 1030 local, but there have been no official reports on the conversation.

In their first contact last night, Sanguinetti said he will talk with Castro about the Cuban situation, and he advocated the elimination of the economic, commercial, and financial blockade the United States has maintained against Cuba for more than 35 years.

The Cuban delegation also carried out an official visit to the Legislative Palace, where Fidel gave a 37-minute speech in which he stressed the Latin American political situation and Cuba's position of defending its social achievements, even in the worst conditions of the U.S. blockade.

Early this morning, the president placed wreaths at the monuments of independence leaders Jose Gervasio Artigas and Jose Marti, at the Independence Square and Cuba Square, respectively. He also visited the Supreme Court of Justice [CSJ], where he received the greetings of CSJ President Rafael Demarco.

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Castro Speaks at Legislative Palace

PA1410223695 Havana PRENSA LATINA in Spanish 1948 GMT 14 Oct 95

[By Lidice Valenzuela and Osvaldo Burgos]

[FBIS Translated Text] Montevideo, 14 Oct (PL) — President Fidel Castro affirmed today that nobody could predict the fate of the independence of the Latin American peoples if Nazi ideas prevail in the United States.

During a ceremony at the Legislative Palace, the Cuban leader made a call for the unity of the Latin American nations and said Cuba will adopt the measures that may be necessary, even under the worst economic circumstances, to remain a trench against imperialism.

After expressing his confidence that nobody will ever control the world, because, he said, it is ungovernable, the distinguished guest said the United States will have to learn that lesson.

One realizes, he said speaking before senators and deputies of the local congress, that nations become more ungovernable every day and that any idea of unipolarity is folly.

In his 37-minute long speech, Castro said Cuba will defeat the blockade Washington imposed more than 35 years ago through experience and economic measures capable of reverting the current situation on the island.

In his address, heard over the radio by thousands of Montevideo residents who were waiting for him outside the palace, the president also voiced his concern over the future of mankind.

After asking his audience about the legacy the present generation will leave its children, he listed some of the ills of the society of consumption, including atmospheric pollution and the destruction of the ozone layer.

The Cuban leader also mentioned the need to maintain the unity of the peoples and on this matter said unity has been the base that has allowed the Cuban Revolution to survive all these years with such a powerful neighbor, with which it has strong ideological differences.

Along these lines, Castro recalled that the Cuban Revolution, which implemented a land reform that could not have been foreseen in a country that at the time had a population of 5 million and 700,000 people without jobs, awakened from the start to sentiments of aggression in the United States, which that powerful nation has maintained to this day.

He recalled that Cuba was politically expelled from the hemisphere and that Uruguay was one of the countries that broke its ties with Cuba. It resisted all the pressure until the end, he said.

Now, the Cuban president said, we are here thanks to an official invitation by the Montevideo government, which has demonstrated with this gesture great courage and a great sense of independence.

Castro said the ties with this South American country date back a long time and recalled that Jose Marti, Cuba's national hero, whom he described as the anti-imperialist leader killed in combat for the freedom of America, represented this nation as its consul in New York and at the economic conference held in Washington late last century.

Cuba, he said, felt excluded from Marti's America but never ceased to struggle, neither in the past century nor in this one, for Latin American independence.

There are not too many courageous people in the world, Fidel stressed in voicing his gratitude to the Montevideo government for allowing him this contact, which surmounts political and ideological differences between the two countries.

Shortly before the Cuban leader's address, Hugo Batalla, vice president and president of the General Legislative Assembly, told the audience one cannot forget what the Cuban Revolution has meant "in our lives and in our thoughts." The Cuban Revolution, he affirmed, is one of the most important political events of this century, and he said Uruguay will do everything within its power to reintegrate Havana, with the full rights of a sovereign nation, in the Latin American community.

Shortly after the visit to the Legislative Palace, Castro and his delegation were received by the Supreme Court of Justice, and afterward Montevideo Intendant Mariano Arana gave him the key to the city.

In the early morning hours of the day, the Cuban president placed floral wreaths at the monuments of Uruguayan and Cuban forefathers, Jose Gervasio Artigas and Jose Marti, in this city's two most central squares.

Thousands of Uruguayans, coming from the country's most remote provinces, are still arriving in Montevideo on board buses and trucks to demonstrate their support for Fidel Castro and the Cuban Revolution.

The Cuban president arrived in Montevideo at 1820 local yesterday for an official visit that will culminate tomorrow, when he will fly to San Carlos de Bariloche, Argentina, to attend the 6th summit of Ibero-American heads of state and government.

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Gives Speech at Town Hall

PA1610012095 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0157 GMT 15 Oct 95

[Speech by President Fidel Castro at the Town Hall in Montevideo, Uruguay, after receiving the keys to the city on 14 October — recorded]

[FBIS Translated Text] Dear [words indistinct], president of the government junta and of the municipal junta [laughter], distinguished members of the audience, brother Uruguayans [applause]:

You have given me the keys. I take it these are more than just the keys to the city. These are the keys to the hearts of the Uruguayan people. [applause]. [Words indistinct]

My problem is now [words indistinct] not to allow myself to be carried away by emotion to comply with all the norms, which is my obligation on a visit such as this. My problem is what to do with this microphone. [laughter]

At any rate, if you cannot hear me louder it is not my fault, it is the fault of the microphone. [laughter] Perhaps if I bring it closer to me. [laughter]

This will still be a good athletic test, which will allow me to disprove the slander that I am almost 70 years old. [laughter, applause]

I will undergo the test of a man in his 20's. When I came here the last time, exactly 36 years, five months, and 11 days ago [applause], I was 32 years old. You can imagine how I felt, a guerrilla let loose in Buenos Aires, not in Buenos Aires, yes in Buenos Aires first and then in Montevideo, with all the impetus one feels when one comes down the mountains after a struggle that was not very long, but rigorous, and the inexperience of a boy.

Now, I come with the experience of a young adult, [laughter] but without that noticeable energy of my 32 years. The organizers of the program did not bear this mind. [laughter] It was an organized conspiracy between protocol and our ambassador. Of course, there are no more things in the schedule because there are no more seconds on the clock. [laughter]

Those who truely believe the Olympic competitions are in Atlanta next year are wrong.

For me [chuckles] the Olympic competition is taking place today. We are now in the wee hours when I am supposed to close today's schedule [chuckles], and I, with the intendant's permission, will decorate myself with a gold medal for this. [laughter, applause]

Time is [passage indistinct] the blockade is, simply put, truly cruel, because it goes against men and women, against children and elders. It is already 36 years old and has been applied by the world's and history's most powerful country against a truly small country of the Caribbean, which has tried for a long time, since the last century, to preserve its independence, because its proximity to U.S. coasts seemed to suggest to many U.S. politicians that Cuba's inevitable fate was to become part of that great state that (?was in formation).

Thus, we could say that from the times of the first U.S. presidents to the present Cuba has had to defend its independence and avoid suffering the fate of our fraternal people of Puerto Rico, who speak Spanish and think like us, but, as the year 2000 draws near, is still a U.S. possession.

I said at the Congress today that we do not want to be... [pauses] to experience a situation such as Puerto Rico's. We do not want to be Miami. We want to be Cuba. [applause] We want to be Havana. It was not an open ideological difference that provoked the blockade and the hostility, it was a simple agrarian reform law that was not socialist in nature. We could say that it was virtually a capitalist agrarian reform, but given that certain companies actually owned up to 200,000 hectares of land, U.S. companies, that is, as soon as the law was approved, on a 19 May 36 years ago, plans to organize the Playa Giron Invasion started. This is similar to what happened to Guatemala during the Arbenz administration.

What would have been the cost of a victorious invasion in Playa Giron? Ask the Guatemalans, who had to endure a victorious invasion. The government was defeated, and a regime based on force was established. You know how many Guatemalans have disappeared since then? In nearly 50 years? More than 100,000 Guatemalans have disappeared. Guatemala is a country where the term prisoner was unknown; it has not existed in 50 years. They are have been called missing. This is an incredible story because of its magnitude and cruelty. There is still war in Guatemala.

We do not want to face Guatemala's fate. This is why we have struggled so much, and we have built confidence while struggling. For how long? For as long as necessary.

There is no limit, because we are not the ones who will establish limits. We will never be the ones to establish limits to our freedom. [applause] I said that the blockade was hard, very hard. Even if we needed aspirin to ease a headache we cannot buy one aspirin in the United States [words indistinct] so many diseases that need to be cured or eased. Nothing. We cannot buy [words indistinct]. We cannot buy even a grain of food in the United States.

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Some nongovernment organizations have continuously made some donations consisting of medicines and food, but they are not products that we can buy [words indistinct] can buy nothing. But it is not only this, but that every action or activity that we carry out in the world is systematically blocked [perseguida] by the U.S. Government.

There used to be a socialist bloc. Blows were shared by more countries. Now the blows fall only on us. All the propaganda of the radio and television stations — those of the government and not in general — those controlled by counterrevolutionary elements are directed against us. More than 1,000 hours a week of radio broadcasting promote sabotage against the economy and subversion.

In the past other countries also received blows — China, Vietnam, the DPRK — but now the United States has reached peace with those countries, and the blows formerly directed at them are now directed at us.

No one knows why, no one knows why this special treatment. We are the only blockaded country in the world, the only totally blockaded country. In the U.S. Congress, there is a strong tendency to promote harsher laws, a more merciless blockade, as if this were possible, against Cuba. Those gentlemen are perhaps discussing it right now. Why? That was never done against South Africa during the days of apartheid. When we were shedding our blood fighting racism at South Africa's border, it was not done. It was never done against anyone, and we are not promoting it either. Why? What is the punishment for?

As a result of our revolutionary effort and our socialism, we are the country with the lowest illiteracy rate among all Third World countries [applause]. We are the country of the world with the highest number of teachers and professors per capita, of the entire world. [applause] Our infant mortality rate is less than 10 per 1,000 live births despite the blockade and the special period. It is less than 10 despite the difficulties with food and medicine. It is the country of the world with the highest number of doctors per persons, in the world, more than Norway, Sweden, and Switzerland. It is the country of the world with the highest number of physical education teachers per person. We have a high cultural level, a high percentage of men and women doing scientific research. Despite the difficulties, we have maintained that.

We had good trade relations with the USSR and the socialist bloc. We were paid fair prices for our products, and we obtained credit. We were protected against the phenomenon of unequal trade. If what they sold us increased in price, what we sold them also increased in price. All of that was abruptly lost; however, not a single school has been closed in our country. Not a single clinic, not a single hospital, not a single child care center has been closed. [applause]

We distributed what was left over in an equitable manner, and absolutely no one was left unprotected. In our country, in 36 years of revolution, there has not been a single case of a missing person. There has not been a single murdered person [applause] and despite the enemy's campaigns and lies, there has not been a single tortured person. No one knows about any tortured persons. [applause]

What they want to do is to punish a people's independent spirit, the dignity of a people, their right to self-determination. We cannot be planning on going to India to tell them which God they should worship or in what Church they must pray.

Or go to the Middle East or Iran to tell them what their religion and their interpretation of the Bible should be, or what their models should be. We cannot go to Rome and tell the Church what it must do with its principles and doctrines. Do not laugh, a blockade would have to be imposed on the entire world simply because of differences of opinion. A powerful country such as the United States, what type of government should it have? Because, in short, more than 90 percent of the population votes in our country [applause] [words indistinct] the president. Now there are two candidates [indistinct] about 25 percent of the votes. They need I do not know how many millions of dollars; there are reports that Perot could become an independent political party candidate because he has about $5 billion. In our country, absolutely no one, not even a politician nor a [indistinct] needs a single cent. [words indistinct] But we cannot plan on telling the United States to change their system and what they have to do.

But in our country, everybody takes an interest in politics; they have an elevated political intelligence. They take an interest in the problems. The measures we are taking to come out of the special period are discussed with each [indistinct]. It is not enough for us to say, well, here is this idea, let us try it out. We discuss it with the people, then we discuss it with the Assembly, and afterwards we discuss it again with the people, and we seek the consensus of the people. I think that explains the miracle, five years since the collapse of the Socialist Bloc and the disintegration of the Soviet Union, of Cuba's existence, and it will continue to exist. [applause] Some day history will write [indistinct] carried out by our people, and today it will write the name of Uruguay and the Uruguayans in gold letters. [applause]

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It does not matter that time goes on. He died here, in 1850. He was away from the country for many years. But one day, full of history, [words indistinct] are everywhere. [applause]

Someday, the Americas as a whole, already beginning to recognize [indistinct], will also recognize Cuba, and they will bring into their institutions and, more importantly, into their hearts the memory of the resistance it was able to offer for so long.

We, as Latin Americans, the same way we admire our countries' history, our countries's glorious history — we admire Artigas, San Martin, Sucre, Bolivar, Juarez, Marti, and so many of our forefathers who struggled for independence for their tenacity. Throughout the continent they faced one of the one biggest powers of that time, which was Spain.

We also had to struggle against that power, which had 300,000 soldiers in little Cuba, plus the soldiers it had mustered throughout the entire continent during the war of independence. [words indistinct] When we finally became independent in 1959, we were forced to continue struggling to maintain it. Then we reached a social model that we do not regret, nor will we ever regret it. [applause] When this model disappeared in Europe, and we had to (?raise awareness), we continued to defend it as we do today — to defend the fatherland, the revolution, and the conquests of socialism. [applause]

We have not forsaken, nor will we ever forsake our goals, regardless of how much belt-tightening and reforms we need to make. What is important, above all, is who this government represents; what is important is that the people have the power just as our country intended. If we allow openings and reforms that are unavoidable, not only to perfect our system, but also to face current circumstances, we will invariably continue defending our goals and objectives even if we are punished for that.

It has been proven that everything we have done for the people and by the people has been understood by some as a reason to suffocate, as a reason to punish. We understand it differently — the reason to struggle, the reason to resist, the reason to triumph [applause] without forgetting to love those who were our best friends, without ever forgetting the people of Uruguay, who have acted with so much solidarity toward the people of Cuba for such a long time.

When we were a colony, Marti was appointed consul in New York. He was also appointed Uruguay's representative to the Washington monetary conference. Uruguay acted in solidarity with Marti. When Marti's fatherland finally became entirely free, few countries in the world gave us us so much friendship, warmth, and so much solidarity as we received from the people of Uruguay. These same people who expressed it 36 years ago and continue to do so today. We ourselves are amazed that after so many years of lies and the smear campaign against our fatherland, this friendship has been maintained.

This has only one explanation and is something that is well understood by Uruguayans — we have known how to continue being faithful, invariably faithful to our principles. Many thanks.

Castro Rejects 'New Puerto Rico' Idea

PA1510005095 Havana PRENSA LATINA in Spanish 2211 GMT 14 Oct 95

[By Lidice Valenzuela and Osvaldo Burgos]

[FBIS Translated Text] Montevideo, 14 Oct (PL) — President Fidel Castro today rejected the idea that his country could become a new Puerto Rico or Miami, while he reiterated the freedom and independence of his country, which is the victim of an aggressive U.S. policy.

In a speech delivered at the Montevideo Municipal Intendance, his second in less than three hours, the president recalled the situation Cuba is in because of the U.S. blockade, which has lasted more than 35 years.

Castro gave an account of Cuba's history and affirmed his country does not want to endure a situation "as that of our brotherly Puerto Rico, which is still a U.S. possession as we approach 2000."

We do not want to be Miami; we want to be Cuba and be Havana, reiterated the Cuban leader, who received the keys to the city of Montevideo from Municipal Intendant Mariano Arana in one of the most moving ceremonies held since his arrival yesterday at 1620 local for a visit that will conclude tomorrow.

In his speech, the illustrious guest said the blockade the United States imposed on Havana is "a very cruel act against a small Caribbean country that has been trying to preserve its independence since the last century."

Cuba's geographical location, next to such a powerful neighbor, he said, seems to have told U.S. politicians that the Caribbean island should be part of that gigantic state.

Later he recalled that ideological differences were not the only reason for the dispute with the United States. "It was a land reform law," he said, "which, in fact,

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was not socialist but hurt U.S. companies owning over 200,000 hectares of land."

From that moment on began the plans of aggression against Cuba, he said.

After asking himself about the price Cuba would have had to pay for a hypothetical triumph of the 1961 Playa Giron invasion, he said the outcome would have been the same as in Guatemala, where there are many cases of disappeared people 50 years after the government of Jacobo Arbenz was toppled. That is why we fought and continue to fight for all the time that is necessary, the Cuban president affirmed. He also warned that "Cuba does not put limits on time, and we will not be the ones to put a limit on our freedom."

In another part of his speech, Fidel commented on the consequences for his country from the collapse of the socialist bloc, and among them he mentioned the avalanche of anti-Cuban propaganda, which includes 100 hours a week of radio programs, in addition to the economic aspect.

"We are the only country in the world against which there is a blockade, and we are even facing the risk that strong trends in the U.S. Congress will actually intensify the measures against our country," he affirmed. That, he warned, was never done against anybody. "Why this punishment? Punishment for what, if we are the result of a revolutionary effort and a sense of freedom and independence," he asked.

The Cuban president listed some of the achievements obtained in his country in the past 36 years of revolutionary government and cited among them the lowest illiteracy rate among Third World countries, the highest per capita rate of teachers and professors in the world, and a 10 percent infant mortality rate, despite the current economic difficulties.

"We will not renounce our social aspirations regardless of the reforms or openings we may have to make, because what matters is that the people are in power," he affirmed.

If we make unavoidable openings and reforms, they are not just to improve our system but also to defend our aspirations and objectives, although we may be punished for it, the top Cuban leader said.

We do everything for the people; some understand it as a reason for that punishment, but we understand it as a reason to struggle, resist, and overcome, without ever forgetting, he said, those who were and are our friends, the people of Uruguay, which has had so much solidarity for such a long time with Cuba.

This attitude, which arose last century, persists after so many years, and the explanation for it is that we have remained unvaryingly faithful to our principles, Castro reiterated.

Shortly afterward, Montevideo Municipal Intendant Mariano Arana spoke words of praise for Fidel Castro, saying "one embraces one's brothers and supports them when they are facing difficulties."

Arana pointed to the cultural and ethnological similarities between Cuba and Ecuador and announced that Montevideo will be the seat of Latin American culture in 1996 and Havana in 1997, the reason why, he said, we maintain even closer relations.

After pointing to the high political merits of the Caribbean island president, the intendant had words of praise for the attitude of solidarity Cuba has maintained, "sharing what little it has with great dignity and integrity," he said.

"Cuba," he said, "has served as point of reference for a generation of Uruguayans and Latin Americans. The Cuban Revolution, he added, is a topic of all Latin America. In times that required commitment and solidarity, the island always adhered to its principles," he recalled.

The Montevideo mayor reiterated the Uruguayan Government's position against the U.S. blockade on Havana and said his country has always been able to discern between the force of reason and the reason of force. Shortly before departing from the municipal building, Fidel Castro from a balcony greeted more than 10,000 people who were waiting to see him under an overcast sky.

Castro Holds News Conference

PA1510020495 Havana Radio Havana Cuba in Spanish 0000 GMT 15 Oct 95

[Report by Osvaldo Burgos from the "Evening Information Review" newscast]

[FBIS Translated Text] Cuban President Fidel Castro held a news conference in Montevideo, Uruguay, this afternoon as part of his activities during the visit he began yesterday afternoon. Osvaldo Burgos has the details:

[Burgos] The news conference Cuban President Fidel Castro held with over 150 foreign and domestic journalists accredited officially for Castro's visit to Uruguay has just concluded. I want to note that the most important questions made in this news conference centered on

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the new Foreign Investment Law in Cuba and, in particular, what the U.S.-Cuban relations will be like from now on.

Castro gave a great deal of explanations in this news conference. He highlighted the effort made by the Cuban people at this time, when they are suffering a blockade that does not allow Cubans, Castro remarked, to buy an aspirin abroad, in the United States specifically, to alleviate a headache. Castro said this has caused an economic headache to a country that is blockaded, adding that no international bank, neither the Inter-American Development Bank nor the IMF, is capable of establishing ties with Cuba as a result of the blockade imposed by the United States.

Journalists asked several questions about the current investment system in Cuba. They asked the Cuban president about how he will respond to foreign investments and even investments by Cubans living abroad. In this regard, Castro said, the measures have been adopted in an attempt to try to resolve an economic program that can be resolved. This is one of the ways to resolve the current situation. In this regard, Castro said, the Cuban people have understood this measure, which creates differences among the people.

He concluded the news conference by answering a question about what will happen with U.S.-Cuban relations. President Fidel Castro said Cuba must wait, because there are good intentions, but there are still crazies in the United States who continue to exert pressure and even lobby in favor of the current blockade. He added that this reminds him of the fascist groups that existed in the past.

This is what happened during the news conference. After concluding the news conference, the Cuban president left for the Belmont House Hotel, where he is meeting with leaders of Uruguay's Broad Leftist Front. Later, at 2100, he will host a reception for the top Uruguayan leaders at the Parque Hotel, especially Uruguayan President Julio Maria Sanguinetti and his wife, other guests, politicians, and diplomats in this country.

Castro Fields Questions From Media

PA1510131795 Havana PRENSA LATINA in Spanish 0729 GMT 15 Oct 95

[FBIS Translated Text] Montevideo, 14 Oct (PL) — Cuban President Fidel Castro held a news conference at the Uruguay Technological Laboratory with 150 accredited newsmen on the afternoon of 14 October.

The Cuban president answered questions from the national and international media for 50 minutes.

One of the topics, on which the leader of the Caribbean island spent the most time, was the question about what he thought was his biggest mistake as a strategist of the revolution in the last few years.

Smiling, the head of state said he was unable to guess that the USSR and the socialist bloc would disappear, which would have given the revolution a longer time to respond to the country's needs and find solutions to the problems that were about to come.

Apparently, he said, the mistake was not having guessed right.

Asked about the new Cuban investment law, Castro said it was an excellent example of how his country's population has responded to this topic with maturity.

In this regard, he said Cuba has been adopting economic measures to find solutions and, without a doubt, these measures created differences, but the people, he added, have understood them and have responded with great maturity.

Finally, asked about the future of the relations between his country and the United States, the president said they would have to wait because there are currently sectors interested in maintaining normal and peaceful relations, but there are also others, he said, that "lobby" in support of the blockade that Washington has maintained against Cuba for the past three decades.

Castro Ends Visit to Uruguay

PA1510140295 Havana PRENSA LATINA in Spanish 0740 GMT 15 Oct 95

[FBIS Translated Text] Montevideo, 15 Oct (PL) — Cuban President Fidel Castro will conclude his second official visit to Uruguay early today, after attending a dozen official events in two days, constantly surrounded by a multitude of Uruguayans who support Cuba.

Castro will leave Montevideo for San Carlos de Bariloche, Argentina, where on Monday and Tuesday he will attend the Fifth Ibero-American Summit, which will be attended by over 20 heads of state and government from Latin America, Spain, and Portugal.

During his stay in Montevideo the Cuban leader was accompanied by a delegation formed by Foreign Minister Roberto Robaina, Economy and Planning Minister Jose Luis Rodriguez, and State Council members Felipe Perez and Jose Miyar Barruecos.

The Cuban leader's 14 October agenda was compared by Castro himself to the olympic games, and one of its main events was his second meeting with Uruguayan President Julio Maria Sanguinetti, whom he thanked

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several times for the "noble and brave" gesture of inviting him to officialy visit his country.

Fidel Castro, who had not been in Uruguay since 1959, started the day with ceremonies at the monuments to national heroes Jose Gervasio Artigas of Uruguay and Jose Marti of Cuba, and ended the day with a reception that evening which was attended by the host president and distinguished Uruguayan political and social figures.

During his stay Castro also visited the Legislative Palace and the Supreme Court of Justice, received the keys to Montevideo, held a news conference, and met with the Broad Front left-wing coalition's leaders.

The most emotional show of popular support took place at the plaza across from the mayor's office, where over 20,000 Montevideo residents — according to conservative estimates — gathered amid a sea of flags chanting slogans in support of the island and against the blockade the United States has maintained against Cuba for over 30 years.

During a speech delivered at the so-called brick palace (Montevideo's city hall) — his second speech in less than three hours — Castro recalled the situation his country faces due to the U.S. blockade, which he described as a "very cruel act by the most powerful country in the world against a small Caribbean country that has tried to preserve its independence for the past century.

At the behest of thousands of Uruguayans — even hundreds from distant provinces — the Cuban leader came to the balcony and raised his right arm to greet the multitude that was expressing support for Cuba.

During the news conference Castro said that at present Latin America is his country's main trading partner following the demise of the USSR and the socialist camp, which is evidence of Cuba's progressive reinstatement into the region.

Hugo Batalla, vice president and head of the General Legislative Assembly, as well as Montevideo Intendant Mariano Arana, acknowledged on the local authorities' behalf the role that the Cuban revolution has played in the lives and thoughts of thousands of Uruguayans.

The Cuban revolution, Batalla said, is one of the most important political events of this century, and he underscored that Uruguay will do everything possible for Havana to be reinstated into Latin America with full rights as a sovereign nation.

At the end of last night's reception, which was attended by almost 600 people, Fidel Castro visited Broad Front leader Liber Seregni at his home; Seregni is resting for health reasons.

Leaves for Summit in Argentina

PA1510142995 Havana PRENSA LATINA in Spanish 1034 GMT 15 Oct 95

[By Lidice Valenzuela and Osvaldo Burgos]

[FBIS Translated Text] Montevideo, 15 Oct (PL) — Cuban President Fidel Castro traveled to San Carlos de Bariloche, Argentina this morning after paying a visit of almost three days to Uruguay, on an invitation from his local colleague, Julio Maria Sanguinetti.

Wearing his usual green-olive uniform, at 0732 local, the president stepped on the plane that would fly him to the neighboring nation where he will participate in the 5th Ibero-American Summit of Heads of State and Government of Latin America, Spain, and Portugal.

The Cuban leader arrived in this capital accompanied by a high-level government delegation, comprising Foreign Minister Roberto Robaina and Economy and Planning Minister Jose Luis Rodriguez as well as Council of State members Felipe Perez and Jose Miyar Barruecos.

During his stay in Uruguay, a crowd permanently accompanied the visiting head of state everywhere he happened to be to complete his busy schedule.

Shortly after his arrival in this capital, on Friday, where temperatures dropped below 10 degrees Celsius, Fidel Castro attended a dinner held in his honor by his colleague Sanguinetti, in which more than 100 distinguished guests participated.

Early yesterday, the visiting president placed wreaths before the statues of founding fathers Jose Gervasio Artigas and Jose Marti in plazas located in the downtown areas of the capital.

He immediately went to the Suarez Presidential House to meet his host once again, with whom he reviewed — according to unofficial reports — topics of bilateral and continental interest.

Fidel Castro also received the keys to the city of Montevideo. He visited the Legislative Palace (Parliament) and the seat of the Supreme Court. At night, he offered a reception for Uruguayan authorities, which was also attended by Sanguinetti.

Uruguay 'Pleased' With Visit

PA1510190795 Mexico City NOTIMEX in Spanish 1651 GMT 15 Oct 95

[FBIS Translated Text] Montevideo, 15 Oct (NOTIMEX) — The visit to Uruguay that Cuban President Fidel Castro ended today pleased the Uruguayan Government because it opened a frank dialogue that the Cuban leader described as positive.

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Castro told local leftist legislators that Uruguayan President Julio Maria Sanguinetti's invitation "is essential" because it will open doors for other contacts, such as Mexico's invitation.

Castro today ended a 36-hour visit to Uruguay during which he dialogued with local authorities to discuss bilateral issues and his country's political situation.

After his Uruguayan visit the Cuban president headed for San Carlos Bariloche, Argentina, where he arrived this morning to participate in the Fifth Ibero-American summit of presidents that will start on 16 October.

Officials of the Uruguayan Government said that Castro's visit promoted an "open and frank" dialogue that will help Cuba to get closer to other nations, and this is reflected in the invitation he received from the Mexican government.

They think that Castro's visit to Uruguay constitutes a step forward in the continent's relations with Cuba, because Argentina changed its position toward the U.S. blockade and Pope John Paul II could visit that nation to foster a rapprochement.

According to local government sources, Uruguay started a new process in its relations with Cuba, because this country "cannot be viewed as dangerous," and moreover, it contributed to the "reintegration at the international level" of Cuba through a "dialogue."

Uruguayan Foreign Minister Alvaro Ramos said that Castro's visit "was positive," because it "opened a path toward ending the blockade" that Washington has applied on the Caribbean island.

Uruguayan Vice President Hugo Batalla maintained that despite political differences with Cuba, we managed to start a "fruitful dialogue" to reintegrate that nation to the continent and to improve its current situation.

Some government officials underscored that one could not expect Castro "to display expressions of historical repentance" with regard to his government, but there was a closer rapprochement between Cuban and U.S. businessmen.

Legislators of the former ruling National Party (PN, 1990-95), which is an official member of the government coalition, said that the visit "contributed nothing new" to their political opinion about Castro, because he did not announce any major changes to his regime.

Reportage on Castro Visit to Ibero-American Summit

Castro Arrives in Argentina

PA1510201295 Havana PRENSA LATINA in Spanish 1653 GMT 15 Oct 95

[By Francisco Forteza]

[FBIS Translated Text] San Carlos de Bariloche, Argentina, 15 Oct (PL) — "It is the commander, the commander in Argentina," a reporter from a news agency in this country told me when Cuban President Fidel Castro walked down the stairs of the plane that brought him here today.

The enthusiastic professional did not repress a round of applause and other colleagues joined her despite the prevailing cold weather — 5 degrees centigrade — and a strong wind that made it difficult to bear one's hands on the landing strip of the international airport in this Patagonian locality.

"Dear friends, I am very pleased to be in this land," the Cuban leader said when asked to make a statement at a podium placed steps from the Cubana de Aviacion plane.

He added that "it seems like a dream to be here, in this place that is so well-known, Bariloche, and I am profoundly grateful for your consideration."

"I salute the Argentine people," he said in a loud and clear voice and he also greeted the persons — reporters and officials — who were listening to him.

Afterward, the delegation headed for the hotel of the Cuban president, who will participate with other heads of state and government of Ibero-American nations in the fifth summit on 16 and 17 October.

The Cuban president is, undoubtedly, the figure that draws the most interest among all those who will be in Bariloche for the next 48 hours.

"I am no Communist but I profoundly admire Fidel Castro, because no one has so strongly confronted the United States," Juan Calvo, an electrician residing in this city told me last night.

Calvo is among the many members of the solidarity with Cuba organization and this morning he stood, together with others, along the route that the Cuban delegation took to reach a hotel.

Cuban flags and placards were displayed and small decals with slogans rejecting the U.S. blockade against the Caribbean country were distributed.

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A spokesperson of that friendship with Cuba organization confirmed that there will be at least two activities today and tomorrow in downtown Bariloche related to the president's visit.

The blockade issue has so far been the issue that focuses the attention of the international media — some 1,000 reporters — that have covered contacts preceding the fifth summit since 13 October.

"I hope that this Ibero-American summit will be registered in history as the one that condemned the blockade," a colleague told me here, and that appears to be the prevailing atmosphere.

The basis for this conjecture is that even traditional defenders of Washington's behavior toward the island are now maintaining positions that are closer to reality, and in varying degrees [con matices], share the position of rejecting the blockade.

Fidel Castro and his delegation were received by an honor guard at the Bariloche airport where they were greeted by Argentine Raul Ricardes, secretary general of the meeting, and by Maria del Rosario Severino, intendant of this city.

Speaks Briefly on Arrival

PA1610033495 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 16 Oct 95

[Report by Ana Gloria Loyola, Emilio Regalado, and Froilan Arancibia in San Carlos de Bariloche, Argentina; from the "NTV Newscast"]

[FBIS Translated Text] Commander in Chief Fidel Castro arrived this morning in San Carlos de Bariloche, Argentina, to participate in the Fifth Ibero-American Summit of Presidents, which will begin tomorrow in this city. The Cuban president was received at the steps of the airplane by Summit Secretary General Ricardo Ricardes and Mayor Maria del Rosario Severino de Acosta.

On his trip to the center of the city, Fidel and the delegation that accompanied him received examples of friendliness from the people of Bariloche, who turned out in the streets to show their solidarity with Cuba. [crowd shouts: "Cuba, Cuba, Cuba, the people greet you!"]

Upon his arrival at the Pan-American Hotel, the Cuban president spoke briefly with reporters:

[Begin recording] [Unidentified reporter] What declaration do you believe the summit will make regarding the blockade?

[Castro] We have to wait to see the outcome of the debates and the topics.

[Reporter] Buenos Aires (EL PRESTIDIGITADOR) said that there will be a proposal to lift the blockade.

[Castro] I am very glad.

[Reporter] Will you meet with Menem?

[Castro] Most certainly.

[Reporter] How do you feel in Argentina? This is your second visit, no?

[Castro] Very well. [Words indistinct] a special Argentina.

[Reporter] Why?

[Castro] The Argentina I had seen was close to the sea.

[Reporter] In 1951.

[Castro] The scenery here is extraordinary and shows the richness of the country's natural beauty, which is a natural resource. [end recording]

Among his last activities in Montevideo, Fidel held a reception in the Parque Hotel, which was attended by President Julio Maria Sanguinetti and 600 other personalities and friends of Cuba.

Fidel also visited Broad Front leader Liber Seregni at his home.

In Bariloche, the meeting of foreign ministers began today to polish the final document that the presidents will sign.

Haiti

Protesters Stone UN Forces Protecting Gore's Wife

PA1610003395 Hamburg DPA in Spanish 2319 GMT 15 Oct 95

[FBIS Translated Excerpt] Port-au-Prince, 15 Oct (DPA) — U.S. Vice President Al Gore, in his less than 12-hour visit to Haiti on the occasion of the first anniversary on Jean-Bertrand Aristide's return to power, publicly reiterated to the Haitian president today the U.S. Government's unrestricted support.

Gore's visit was overshadowed by an incident involving Tipper Gore, the motorcade of the vice president's wife, when approximately 200 demonstrators stoned the UN "Blue Helmets" that protected her arrival at St. Catherine Hospital in Cite Soleil, an impoverished neighborhood on the outskirts of Port-au-Prince.

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Witnesses say that a U.S. soldier, as well as a soldier from Bangladesh were hurt, but there was no official report.

The witnesses added that the incident took place apparently when the UN soldiers became "nervous" due to the presence of demonstrators and "roughed-up" a couple of them, which triggered a reaction from the remaining demonstrators. [passage omitted]

Aristide refused to answer the question of whether he had accepted the resignation of his Prime Minister Smarck Michel, or any other question to do with national politics, claiming that "today we are celebrating the return of peace to Haiti" and that he would only refer to the commemoration. [passage omitted]

At daybreak, the access roads into Port-au-Prince were seen covered with unsigned pamphlets demanding that Aristide not hold elections in December and that he prolong his administration three years, the time he spent out of the country due to a coup d'etat led by General Raoul Cedras.

PANPRA's Brutus Comments on U.S. Congressional Hearing

PA1410121395 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Oct 95

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] There was a hearing on Haiti yesterday at the U.S. Congress, initiated by the House Subcommittee on Western Hemisphere Affairs headed by Congressman Dan Burton. The guest of honor, Deputy Duly Brutus of the Nationalistic Progressive Revolutionary Party of Haiti [PANPRA], spoke about the 22 political parties that boycotted the legislative, municipal, and local elections, which, according to him were fraudulent. He then digressed to talk about the human rights situation in Haiti, which has not improved despite the presence of foreign forces.

Concerning the freezing of financial assistance to Haiti, Mr. Brutus asserted that it would be irresponsible for one of the donating countries to freeze aid despite the disagreement between his party, PANPRA and the ruling party. The current rulers must be pressured to respect democracy, he stated. Brutus explains what happened at the hearing:

[Begin Brutus recording, in Creole] I was invited to testify during yesterday's hearing on Haiti. The hearing was held by the Subcommittee on Western Hemisphere Affairs, presided over by Dan Burton. The Committee on Foreign Affairs President Benjamin Gilman was present, and several U.S. Congressmen testified. Then, the panel was opened for associations such as the National Democratic Institute [NDI] and [word indistinct] to testify. Georges Oriol and I were both there. I was asked to speak first, on the views of our political party, PANPRA, and secondly, on the concerns of other political parties in Haiti. I can tell you that it went very very well. The meeting held today at the U.S. Congress was pretty positive. In fact, my statements centered on three major points. The first major point I developed had to do with PANPRA's position — which is the same as several political parties in the country — against the legislative elections which, we think, were an electoral farce and which we have rejected. I especially stressed the disappointment of the political parties with the lack of the international community's willingness to keep a watch on democracy, as it did during the period following the military coup. [passage omitted]

The second point we raised concerned the human rights question. We noted that it was true that rights violations had dropped, but we must, however, understand that today there are nearly 3,000 foreign military forces in the country — not counting the civilians who have come from foreign countries to work for the improvement of human rights in Haiti. We are concerned that a number of crimes have been committed in the country. There are crimes that are apparently political. There are others that look like common crimes. However, one of our worries is that, despite the presence of the foreign forces, we have not yet seen the Haitian Government come up with a single arrest and that there are a number of issues still pending. [end recording]

Prime Minister Submits Resignation to Aristide

PA1310220595 Mexico City NOTIMEX in Spanish 2054 GMT 13 Oct 95

[FBIS Translated Text] Port-au-Prince, 13 Oct (NOTIMEX) — Political sources have announced that Haitian Prime Minister Smarck Michel today presented his resignation, effective 16 October, to President Jean-Bertrand Aristide.

The sources have said the official announcement of Michel's resignation will be aired at the end of U.S. Vice President Albert Gore's official to Haiti, scheduled for 15 October, when the first anniversary of Aristide's return to office will be celebrated.

Michel resigned after his cabinet opposed a proposal to negotiate a loan for more than $100 million with the IMF and the World Bank, the sources added.

Aristide also opposed Michel's proposal, which was presented on 9 October. Aristide's position deepened the disagreement between him and Michel, which started over the privatization of public enterprises, something which Aristide regards as indispensable.

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According to unofficial reports, Jean Marie Cherestal, current minister for planning, external cooperation, and public administration, could replace Michel.

Edgard Leblanc Elected New Senate President

PA1410001195 Port-au-Prince Signal FM Radio in French 1700 GMT 13 Oct 95

[FBIS Translated Text] [Words indistinct] a look at what is happening at the Haitian Parliament.

Edgard Leblanc, Jr., president of the Lavalas Political Organization [OPL], is the new president of the Senate of the Republic, as previously announced. He has just been elected president of the Chamber of.... [pauses] the Senate, not president of the Chamber of Deputies but, rather, president of the Senate. He is followed by Samuel Madistin, another OPL member who is vice president, and Elie Plancher, who is [word indistinct] of the Senate of the Republic.

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Interview With Foreign Secretary Gurria

PA1410014195 Mexico City PROCESO in Spanish 10 Oct 95 pp 24, 25

[Report on interview with Foreign Relations Secretary Jose Angel Gurria by Carlos Puig "on the eve of President Zedillo's trip" to the United States in Mexico City on 10 October]

[FBIS Translated Text] The PRI [Institutional Revolutionary Party] member who promised 24 years of continuity to Japanese investors, the foreign secretary who said that the Chiapas war was an "Internet" war, now ponders on each of his words.

He speaks slowly and straightforwardly dodges conflicting issues. His "outgoing" nature is a thing of the past. Jose Angel Gurria wants to talk about the future only.

After six years during which the government cried out the significance of personal relations within the Mexican-U.S. relations and publicly and privately bragged of the significance of the "good chemistry" between the incumbent U.S. and Mexican presidents, the foreign secretary now affirmed that: "Relations are established among countries."

Regarding the image that Carlos Salinas could have imprinted in the United States, Gurria noticed a difference: "Zedillo's image is that of a man who has absolute and complete legitimacy in his mandate and whose electoral victory was honest and unquestionable.

"The personal impacts, the effects that the previous or other president could have left in the North American public is one fact, and it is also a fact that we are starting a new phase. In this visit the ties that we are calling a "new understanding" are consolidated and proposed in the relations of a government that is less than one year old, and that will last six years.

And he stressed that "each individual has an opinion or will have an opinion on what could have happened to the images of the previous heads of state."

Regarding Carlos Salinas de Gortari, for whom Gurria was a toasted aide, he does not even mention his name. As for the letter Ernesto Zedillo sent to Luis Donaldo Colosio four days before the PRI presidential candidate was murdered, the foreign secretary said: "I would not like to make any comments whatsoever."

With regard to last year's secret arrangements between Mexico and the United States to hide the frailty of the Mexican economy — arrangements that the U.S. Senate made public nonetheless — the government official said that he is "unaware of the details."

As for the fact that President Zedillo will not address the U.S. Congress, Gurria affirmed that "it is because we did not want to address it."

At the top floor of the Tlatelolco Tower, where Secretary Gurria welcomed this reporter, he sits in front of a large picture of Benito Juarez painted by Anguiano. He has a harsh expression, his eyes avert his interlocutor, and he has restless hands. He talks and talks, but not always answers the reporter's question.

[Puig] In 1987, Gustavo Diaz Ordaz said before the U.S. Congress, during his official visit: "The world must change the idea that the goal par excellence of the countries is to achieve the highest profits in the shortest possible time." At that time, Jorge Castaneda, who was later foreign relations secretary, said: "Faced with the economic development problem of our nations, the United States has displayed an absolute lack of understanding, repeating ad nauseam that the magic formula consists in offering favorable conditions to investors. One may argue that sometimes, the United States has eagerly sought a servile obedience of its interests in its natural allies rather than their strength and prosperity." Do those ideas still prevail?

[Gurria] I believe the world has changed; the United States has changed and Mexico has certainly changed. These changes include: The relative importance of the area comprised by Latin America; the recovery of the economic dynamism; and the fact that democracy has been fully installed in the hemisphere. Concerning the leading points of view on economic and political policies and integration, there has been a very significant change and we are now, unlike then, not just talking about integration as an aspiration, but the integration of Latin America and the hemisphere is actually taking place every day.

He mentions the Miami summit, the trade agreements among Latin American countries, Chile's admission into NAFTA, the figures, the statistics...

[Puig] Which one do you think is the United States's main interest in its relation with Mexico?

[Gurria] I believe that what we see, every day, is a conviction that Latin America's prosperity is beneficial for the United States and vice versa.

[Puig] This holds true as long as everything is in keeping with its policy, its interests. Doesn't it?

[Gurria] I believe all countries act according to their interests. Not one country I know...

[Puig] Some countries impose their interests on others.

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[Gurria] Not one country I know acts against its interests or allows its interests to be harmed deliberately. What is currently happening is due to globalization, communication, a series of factors, and the division of production and labor all over the world, where it has become very difficult to know where factories are located and how they operate, and who and what is the nationality of the owners of these factories.

Negotiation is a word that Gurria uses repeatedly. This is how he explains, for instance, how, according to him, the difference in size and power between Mexico and the United States does not matter.

We recalled one instance of negotiation that stands out among the documents on financial negotiations signed by the governments of Carlos Salinas and Bill Clinton that were disclosed by Senator Alfonse D'Amato at the end of 1994. This particular example was the memorandum of 21 November from Under Secretary of the Treasury Larry Summers to Secretary of the Treasury Lloyd Bentsen, describing the Mexican economy's fragile situation. What is noteworthy is how, after negotiating with the Mexican Government, he made a contradictory statement the next day: "I am impressed with Mexico's strong economic foundations, and the great progress of NAFTA."

[Puig] This entailed a political cost for Bentsen and for Summers in the United States, which are, for Mexico, the costs of these arrangements to appease the general public?

[Gurria] I believe these negotiations are not conducted to appease the media or the general public. Obviously, the negotiation of the financial package was conducted without any political strings.

[Puig] But I am referring to the time before the January financial package. The arrangement I am talking about was made in November, and you became foreign secretary in December. But there was a previous arrangement that was kept secret.

[Gurria] Then I do not know to what phase you are referring. I am talking about the 19 December arrangement.

[Puig] There are the memorandums of November, when the economy was in trouble and Bentsen said, on request from the Mexican Government, according to the documents, that the economy was not facing problems. In terms of Mexican-U.S. relations, what has been the cost of these arrangements?

[Gurria] I do not know the details of these memorandums, but I can assure you that arrangements made with financial institutions, be it the IMF, the World Bank, or, as in this case, the U.S. Treasury, strictly respect the no-political-conditions rule.

Gurria, who on two occasions belonged to the government team that restructured Mexico's foreign debt with private creditors, now has to negotiate the debt with the U.S. Government, who has become Mexico's largest creditor.

[Puig] When you negotiated with private creditors, did not you have to discuss drug trafficking, migration, and trade matters, even if there was no explicit conditioning? What are the debt's burdens?

[Gurria] The tuna issue does not affect the drug trafficking or the migration issues. Both the United States and we have learned throughout the years that the various issues must be handled separately because there are so many and they are so important that we cannot let stagnation or complications in one issue contaminate all the other issues, because then relations would get paralyzed.

Gurria reports that many motions calling for the imposition of political conditions were presented at the U.S. Congress but "the U.S. Government never heeded them nor did it raise requirements additional to a timely payment of the debt and its interests."

Ernesto Zedillo is in Washington. The U.S. Congress will initiate sessions on migration laws being promoted by Representative Lamar Smith and Senator Alan Simpson. Both laws are harsh on Mexican immigrants.

[Puig] The president will not visit the U.S. Congress because this is not a suitable moment considering that this Congress did not approve the economic aid to Mexico and Clinton had to intervene?

[Gurria] The president is going to meet on three or four occasions with members of the U.S. Congress. There is interest in serious meetings, in work meetings, as broad as possible and with dialogues and discussions. One main objective is to hear from the government and from the members of Congress what impression they have of Mexico to try to clear up cases where there is a distorted image as a result of biased information.

[Puig] Why not go to Congress where the presidents of Mexico usually make their first state visit and issue statements on state policies and principles, instead of issuing them in private?

[Gurria] Because soon there will be approximately seven or eight very important public forums.

[Puig] You have to agree with me that none is as important as the U.S. Congress.

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[Gurria] The problem is, I insist, that U.S. public opinion and opinion-makers are very much split and so are the decision makers. Even in the U.S. Congress there are groups with different points of view, with different dynamics, and for this visit we worked for the possibility of holding significant meetings and at-length talks.

At this moment Gurria is told that President Zedillo will arrive in the United States in the company of Attorney General Antonio Lozano Gracia who will surely report he belongs to an opposition party, so there is no doubt as to the honesty of his work. In spite of this, the murder of Luis Donaldo Colosio has not been resolved and there have been insinuations that Carlos Salinas de Gortari masterminded it.

Gurria quickly tackles possible U.S. criticism on this: "I believe the United States knows very well that some of these issues are difficult to clear."

Regarding the request for the extradition of Mario Ruiz Massieu, Gurria explains that the problem has to do with "the relationship between the executive and the U.S. judicial system" and notes that despite the fact that the extradition has been denied on two occasions, "at this moment neither us nor the United States have proposed a treaty revision." He added: "All treaties, and this one is no exception, can be reviewed on requests from the parts."

Gurria admits the visit is taking place at a complex moment for Mexico, but he sees problems as "opportunities," not as handicaps.

[Puig] Considering what has happened this year, do you still think the group in power now will be in power by the year 2006?

[Gurria] This is something I am asked so often that I am no longer sure whether or not the Japanese needed to hear me say that we would make it that far. Right?

"Right," Gurria added, "Investors must be assured that long-term policies will remain. I think that from a good economics point of view, which is what this is all about, good economic policies will prevail. I really hope so. Besides, when our economies suffer downfalls such as the one we suffered recently, we obviously must have a good memory to keep this from happening again. Right?"

Foreign Secretary Invites South Africa's Mandela To Visit

MB1410180395 Johannesburg SABC TV 1 Network in English 0600 GMT 14 Oct 95

[FBIS Transcribed Text] President Nelson Rohlihlala Mandela has been invited to pay an official visit to Mexico next year. The invitation was extended by Mexican Foreign Secretary Angel Gurria during a two-day visit to Mexico by Foreign Affairs Minister Alfred Nzo. Mr. Nzo announced that a general cooperation agreement would soon be signed between the two countries.

Bank of Mexico Governor Mancera's Remarks

PA1310160695 Mexico City EL FINANCIERO in Spanish 11 Oct 95 p 4

[Report by Luis Acevedo, Alicia Salgado, Rosa Elba Arroyo, Gerardo Flores]

[FBIS Translated Text] Washington, D.C., 10 Oct — Bank of Mexico governor Miguel Mancera Aguayo has said that there are no economic, let alone monetary, reasons to justify financial disturbances and that this type of distortion will set back the country's recovery.

He said the exchange rate can reach whatever level the market determines because the Central Bank "will not interfere." The monetary strategy will remain unchanged. It will be "very difficult" to attribute distortions to the Mexican political situation because of the subjective nature of such an assessment. Preserving the monetary policy "can offer the greatest certainty that there are no economic reasons for such fluctuations. I think this situation is temporary precisely because there are no underlying reasons."

Mancera was interviewed at the end of the ceremony to open the 51st World Bank and IMF annual joint meeting. Mancera told the newsmen: "I see no economic, let alone, monetary, reasons. The monetary policy has not been changed. Consequently, market fluctuations cannot be attributed to any modifications of the strategy..."

[EL FINANCIERO] Can political reasons be given?

[Mancera] Well, this is a very subjective assessment. It is very difficult to make any remarks because, I repeat, such assessments will inevitably be subjective.

[EL FINANCIERO] What will the Bank of Mexico's position be? Will the monetary policy be maintained?

[Mancera] Yes, of course. There is, and there will be, no interference. The monetary policy will be kept unchanged because I think this is what offers the greatest certainty that there are no economic reasons for such fluctuations. And I think this is a temporary phenomenon precisely because there are no underlying economic reasons.

[EL FINANCIERO] Will the Bank of Mexico let the exchange rate reach any level?

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[Mancera] Well, we are using a floating system. Consequently, the Bank of Mexico will not say: "We will do this or that when the exchange rate reaches such and such level." The exchange rate level will be determined by the market.

[EL FINANCIERO] From this viewpoint, what can the Bank of Mexico do to help stabilize the markets?

[Mancera] What can be done and is being done is to continue to implement the monetary program just as it was designed. This program can lead to stabilization and lower inflation. As inflation gets lower, the temporary exchange rate changes will tend to correct themselves because they have no economic basis.

[EL FINANCIERO] What will happen to the economic recovery expectations? Will they continue to be postponed?

[Mancera] Definitely. But these setbacks do not help at all. This is evident and I do not think I have to tell you.

[EL FINANCIERO] What is the Bank of Mexico governor more concerned about in situations like the present one, interest rates or exchange rates?

[Mancera] The two are important. I think our monetary system's advantage is that through these two variables the system distributes the burden of the present circumstantial adjustment. If we had a system of the conversion fund type, all of the burden would fall on interest rates. On the contrary, if we had a system of maintaining interest rates through Central Bank operations in the money market, then all of the weight would be borne by the exchange rate. Is this clear? I do not want to be misunderstood. Then, our system enjoys the advantage of distributing the burden of this type of adjustment circumstances on the two variables.

Before giving his opinion on the new crisis of the Mexican peso, Mancera talked at length with Ariel Buira and exchanged ideas with Francisco Suarez Davila. Everyone agreed that the turbulences are a temporary occurrence because they have no economic basis. "We trust market stability to be restored as soon as possible," Mancera concluded.

In addition, in Mexico, finance secretariat sources reiterated that the economic adjustment program progresses as scheduled and that, for this reason, no changes of course have been anticipated. They again urged local and foreign investors to keep calm in view of the wave of rumors and speculations in the financial market.

It was reiterated that the economy's course is under control and that a contingency plan and a program leading to exchange control or the closing of operations in this market have been ruled out for the time being.

It was said that the goals set in the Action Plan to Strengthen the Agreement of Unity to Overcome the Economic Emergency will be fulfilled as predicted and that the plan will be assessed early in 1996.

One of the consulted bankers commented that there is the conviction "there is shortage of pesos and dollars in the system" because the dollars available from outside lines of credit and those collected in the markets have only one destination, the Federal Government."

He went on to explain that this is to be added to the negative balances in the banks' checkbooks at the close of September and at the time Bank of Mexico's loans for nearly 25 billion new pesos, which had to be amortized over the weekend, became due. This amortization left "the markets virtually dry."

He said: "The exchange market is very nervous. For this reason, a nominal and lasting strengthening of the peso is unlikely. If the authorities do not make up their minds to use part of the stabilization funds to ease the exchange pressure, higher interest rates can function for a time, but not for an indefinite time, to stabilize the exchange rate.

News about a meeting that officials of the finance secretariat and the Bank of Mexico, as well as representatives of the Bankers and Stock Brokers Association held to assess the adverse effects on bank assets caused by movements in exchange parity and higher interest rates spread through financial circles.

The stock brokers noted the wearing out of the financial brokerage because of its failure "to release reserve money to stabilize the markets and give liquidity to the economy" and asked the authorities to establish an "exchange corner" in the stock market.

It was unofficially reported that the Mexican delegates asked finance authorities to establish an "exchange corner" in the stock market because of the inefficiency in the "coverage market."

It was added that in the meeting, which was attended by Finance Secretariat and Bank of Mexico officials, an agreement was reached with the country's leading banks to jointly participate in stabilizing markets.

Taxpayers To Pay For Government Fiscal Programs

PA1410121795 Mexico City LA JORNADA in Spanish 9 Oct 95 pp 1, 50

[Report by Juan Antonio Zuniga and Roberto Gonzalez Amador]

[FBIS Translated Excerpt] Not even 29 months have passed since 18 banking institutions, most of which were

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in government hands, were sold to the private sector, before the national banking system faced its worst crisis in history.

According to Finance and Public Credit Secretariat (SHCP) reports, taxpayers must pay 39 billion new pesos, an amount that increases the fiscal impact of the four programs (Agreement for Immediate Support to Bank Debtors, refinancing in Units of Investment, Fobaproa Savings Protection Banking Fund, and capitalization schemes) the government implemented with public resources to save banks from bankruptcy.

Even though the cost of this "support" will be due in 30 years, the truth is that these funds will come from the pockets of people, who must already pay the high intermediation and service costs banks charge.

In the meantime, in order to survive, banks received 39 billion new pesos worth of support from the federal government, because between February and May 1995, their situation was considered a high priority for the country's national security. These resources equal the 39.013 billion new pesos collected in income tax during the first half of the year. In nominal terms, they represent 2.2 times the increase in the banks' collections through the money market between December 1994 and August 1995. These collections amounted to 17.4 billion new pesos, according to the Bank of Mexico [Banxico]. Thanks to this, the banks and their current managers have gained several points in their favor amid the din of "an economic crisis, the seriousness and depth of which have no precedent in recent history," Finance Secretary Guillermo Ortiz Martinez assessed.

First, they acquired resources from the state to patch up their broken finances. Afterward, they transformed a strictly financial problem into a social and political source of discontent due to their stubbornness in maintaining a rigid practice of accrued interest and recovering loans. This seemed more a warlike strategy that included truces at whim, as if debtors were capitulating.

Meanwhile, they have turned the government into a permanent guarantor of all their operations, including assets and liabilities. For the first time in the history of the Mexican banking sector, they transferred their financial problems to the political arena of the Government Secretariat. In May, this secretariat headed an interinstitutional effort — which surpassed all expectations shortly afterward — to promptly face the growing rate of creditors in arrears.

After a real drop of 51.4 percent in joint profits, an increasing number of overdue notes, more than 10,000 dismissals in six months, an accumulated annual decrease of 7 percent in savings and 8.5 percent in loans, the Mexican commercial banking sector currently plays a more important role in the continuation of the economic crisis than in solving it.

The banking sector's current situation contrasts with the two main public policies that have served as a foundation for its reprivatization since 1991. [passage omitted]

In fact, the current commercial banking system is trying to overcome a phenomenon caused by the lack of intermediation. A real decrease of 7 percent in savings was registered in June 1995 in comparison to the same month in 1994, as a consequence of the general decline in the levels of income. Meanwhile, according to Banxico, during the same period, financing to the non-banking private sector decreased by 8.5 percent. [passage omitted]

Official sources do not seem to agree on the amount and handling of overdue notes. In May, Banxico placed it at 75.5502 billion new pesos. That same month, Jose Madariaga [president of the Mexican Association of Bankers] placed it at 100 billion new pesos.

Although the volume of overdue notes continued to grow, in June 1994, the National Banking and Securities Commissions (CNBV) placed it at 66.4927 billion new pesos, although the highest banking authorities placed it at 100 billion new pesos.

Whatever the amount, the truth is that this variable has had an almost exponential growth during the past few years.

From December 1992 until June 1995, the amount of overdue notes registered a 267.70 percent increase, based on data obtained from the CNBV, the organization in charge of supervising the banking and financial system. According to the figures given by the bankers themselves, however, the growth was 453 percent. Banxico's estimate of 320.3 percent falls between the two.

Nevertheless, the growth shown by overdue notes seems only to be the most visible part of a more serious problem related to the modus operandi of bankers and to the effect of the larger significant macroeconomic variables on each institution. [passage omitted]

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Coparmex Proposes Tax System Modification, Deregulation

PA1410155995 Mexico City EL FINANCIERO in Spanish 11 Oct 95 p 22

[Report by Leticia Rodriguez, Isabel Becerril, Victor Gonzalez, and Jose Guadarrama]

[FBIS Translated Text] The business sector has said that, in order to increase and promote the efficiency of the manufacturing plant and as part of the economy's structural change, we need to generally modify the tax system, as well as broaden the deregulation process.

In the fiscal arena, the Employers Confederation of the Mexican Republic (Coparmex) demanded that a new tax system include the elimination of the tax on companies' assets, a simplification of tax payments, and a reduction in the fiscal burden in order to promote domestic savings and to create jobs.

Coparmex requested a more expeditious deregulation, a swifter lifting of bureaucracy, a speedy administrative simplification, and more infrastructural investments, because the changes that have been made in these areas are still insufficient to promote the development of companies.

The country's employers confederation maintained that the national crisis is exhaustive and that, even though the economic deterioration is its most noticeable expression, political problems, corruption, deficiencies in the social security institutions, and excessive regulations lurk in the background.

Among the changes in the tax system, Coparmex also pointed to the significance of better calibrating the income tax tables for individuals and corporations and granting special tax breaks to micro-businesses and family workshops.

The employers stressed the need to ease the tax burden on companies to ensure they will act to boost economic activities and to introduce new simplification schemes to facilitate compliance with fiscal obligations and to clarify the country's tax administration.

Likewise, they explained that the federal government's current spending must be reduced in order to funnel more resources to production activities.

Analysts from the private sector pointed out that, regarding regulation matters, three basic points must be taken into account: A conscientious simplification of the administrative procedures, the creation of a prosecutor's office that will deal with unfair trade practices, and a modification in the area of government inspections.

With these actions, they explained, industrialists would have more certainty, and more companies and jobs would be created, which are what the nation requires to get out the economic "hole" in which it is immersed.

Regarding the specific issue of environmental matters, the analysts affirmed that, if authorities allow a company that is starting operations to adhere to two rules — the use of land and its ecological norms — a large number of industries would be created in a short period of time. In addition, in a period not exceeding 12 months, the already-created company would have to complete its procedures at the Finance and Labor and Social Welfare secretariats, procedures regarding its boundaries, among others.

As for the creation of a prosecutor's office to deal with unfair trade practices, they maintained that this office would be extremely important, even though there already is an organization handling these matters.

They added that, with this prosecutor's office, we would have timely opinions on unfair practices against Mexican companies and expeditious sanctions, whenever they were necessary, on imported products. These actions would instill more confidence in companies.

The third basic point, the analysts went on, refers to the modification of government inspections, because, instead of resolving problems, public officials are seeking their own benefits only.

They concluded that the inspections must be carried out as a guide, not as a punishment. This is how the "repression" against the manufacturing plant that is currently taking place would end.

Meanwhile, the parliamentary bloc of the Party of the Democratic Revolution (PRD) demanded the government define the priorities of economic policies chosen so far in order to implement a social recovery plan that would increase salaries and the number of jobs, preserve the manufacturing plant, and fairly redistribute domestic revenues.

The PRD bloc assessed that this social recovery plan, which would be concerted by all political forces and production sectors, would put an end to people's sacrifices and to the authoritarian and anti-constitutional manner in which national problems are being faced.

In the meantime, Jesus Flores, senior Secofi [Commerce and Industrial Development Secretariat] official, recognized that the only manner in which we can overcome the crisis in Mexico is by broadening the economic reform, laying the foundations of a sustained growth, and continuing to join the world economy.

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He said that "Mexico deeply believes in free trade as an engine for growth and competitiveness. This is why it is essential to continue to promote investment deregulation, the opening of markets, and exports."

Concamin Leader Confident Country To Overcome Problems

PA1310144995 Mexico City EL FINANCIERO in Spanish 9 Oct 95 p 31

[Report by Isabel Becerril]

[FBIS Translated Text] In order for the country to promptly overcome the economic, political and social problems in which it is immersed, it becomes urgent to seek conditions that are appropriate to put the nation in order, as it is now in great disarray, Victor Manuel Diaz Romero, president of the Confederation of Industrial Associations (Concamin), has affirmed.

He stated that 1995 must not be regarded as a lost year because great progress on macroeconomics has been observed and new guidelines are being sought to link these accomplishments to macroeconomics "rather, this must be regarded as the year of where things were put in order."

The business leader added that although Mexico is on the right track, the economic agents and society as a whole must not heed the voices — of that of Manuel Camacho Solis and the former presidents, for instance — that only seek to derail the course of the nation.

He affirmed that there are groups interested in the collapse of the economic model the nation is trying to achieve — the free market — "because it does not suit the masses."

One must recall, Diaz Romero stated, that the different methods the government has employed in the past to move the country forward — such as protectionism — have only benefited a few and made the purchasing power of the working class drop further and generated poverty and unemployment.

All those who have benefited from those economic systems, Diaz Romero affirmed are the ones trying to change the course of the nation, "and we must not allow it."

When asked how to undo the damage that the statements by some political figures have been causing lately in the economic arena, he replied that society as a whole must head toward an orderly system, and if it does it will silence those voices and clear the way for a free, peaceful, pristine, and viable transition.

He reiterated: "We must not heed voices that derail the nation's course; today we have a courageous leader that sets the course and tells us the goals to reach."

The Concamin leader also noted that today more than ever Mexico must move toward a very important point, namely, the struggle for an orderly country with good habits and where things can be done easily.

In other words, the Concamin leader explained, whenever a company needs to do something the procedure must be more expeditious. The snags involved must be eliminated. In sum, the procedure should be honest, clear, and simple.

In that way, the activities of factories would be more easily facilitated and would avoid the rampant corruption in the country.

Interviewed in his office, the Concamin leader said that although the government is still slow in implementing some measures to reactivate the economy and to support the business sector, the country's industrialists are prepared to work hand in hand with the government.

In an energetic tone of voice, Diaz Romero affirmed the private sector is confident that Mexico will move forward soon, "that is why we will continue supporting the our authorities; we are prepared to do it."

To conclude, he said the jitters the stock market experienced last week in no way will hurt the nation, because it is headed on the path of reactivation and stability.

State Electoral Council President on Upcoming Elections

PA1410043395 Mexico City LA JORNADA in Spanish 11 Oct 95 p 18

[FBIS Translated Text] Tuxtla Gutierrez, Chiapas, 10 Oct — State Electoral Council (CEE) President Jorge Amador Coutino Lemus said today there is "a high degree of transparency and reliability" on the upcoming 15 October elections, and the people of Chiapas are certain their decision as voters will be respected by the citizens' councils.

Coutino Lemus made an assessment of Sunday's electoral process and said the CEE has established — without having the executive, legislative, and judicial branches' interfere in its decisions — extreme operational control measures which guarantee reliable results, and he emphasized the responsibility shown by political parties.

He said: They must "prove that they can sponsor a civilized political interaction and develop a culture regarding electoral legality, a public debate of differences,

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and respect for negotiated agreements. [quotation marks as published] He warned that the continuity of political stability in Chiapas will be the result of this electoral process, "because citizens participate as observers, polling station members, and political parties representatives."

The CEE president said "the 15 October elections will have a high degree of transparency and reliability" with electoral bodies that are comprised solely by citizens' councils and political parties' representatives, and only the former have a say in them and vote.

He added: Conditions are given to carry out Sunday's electoral process with the greatest safety for 1,679,404 citizens registered in the electoral list; and 1,000,638 of these are included in the nominal lists to vote (97.57 percent) in 3,123 polling stations that will be established in the state's electoral sectors.

In his report to councilmen and representatives of the political parties and the executive, legislative, and judicial branches, Coutino Lemus said that eight political parties — PAN [National Action Party], PRI [Institutional Revolutionary Party], PRD [Party of the Democratic Revolution], PFCRN [Cardenist Front for National Reconstruction Party], PT [Workers Party of Mexico], PVEM [Mexican Green Ecologist Party], PDCH [Chiapas Democratic Party], PFCPCH [Party of the Chiapas People's Civic Front] — have reasserted the pledge for Chiapas' peace, legality, and integrity. "The parties, and the new Electoral Code, which began to regulate elections in May of this year, represent the guarantee for a process with characteristics of legality, impartiality, and certainty," he emphasized.

The electoral official asserted: "Our institutional life will be strengthened if this is consolidated on 15 October."

The president of the new electoral organization in Chiapas explained that, upon conclusion of the campaign to update the electoral list, 1,679,404 citizens were registered and 1,638,638 were included in the nominal lists. He said this represents 97.57 percent of the citizens who received photo credentials to vote in 1,929 electoral sectors.

The 3,123 polling stations that will be installed for the 15 March electoral process will be distributed as follows: 1,928 basic polling stations, 1,170 adjacent polling stations, and 25 special polling stations. The latter will eventually receive electoral votes in transit. The state's new Electoral Code became effective in May this year and it allowed the creation of new districts to guarantee that the Indian population will have full access to the local congress.

The report by the CEE president puts special emphasis on the advanced mechanism to choose the members of the polling stations. This mechanism consists in a draw of citizens enrolled in the electoral register, which produced a list of 245,627 people.

Coutino Lemus pointed out that to implement the training activities designed to prepare technically, operatively and administratively the citizens who will act as electoral officials in the polling stations, an ample mobilization of efforts took place to set up 1,116 training centers, strategically distributed along the state's electoral geography. This work was reinforced with at-home training.

He emphasized that the preparation of the elections and each one of the activities have been completed in keeping with the time limits, the provisions of the Electoral Code, and the agreements approved by the council itself. He also noted that the CEE registered 680 candidates of eight political parties: 164 candidates to deputies of simple majority; 118 aspirants to deputies of proportional representation; and 398 candidates [plantillas] to the 111 town councils in Chiapas.

Chiapas Negotiations To Continue Despite Election Outcome

PA1310142695 Mexico City NOTIMEX in Spanish 2154 GMT 12 Oct 95

[FBIS Translated Text] Mexico City, 12 Oct (NOTIMEX) — Negotiations between the government and the Zapatist National Liberation Army (EZLN) are guaranteed and will continue regardless of the outcome of Chiapas State elections on 15 October, it was reported here today.

Juan Guerra Ochoa and Oscar Lopez Velarde, president and spokesman of the Harmony and Peace Commission (Cocopa), respectively, said that there is no political or electoral incident that can stop the peace process. They added that the people in Chiapas State "understand that peace cannot develop amid injustice and that democracy cannot develop through violence."

"We urge everyone in Chiapas to go to the polls to vote for their local congressional and municipal representatives," they said.

They added: "We are confident that the enthusiasm and commitment of Chiapas voters and of those polling station officials and representatives charged with safeguarding the electoral process will promote the peace and harmony that the state needs."

They urged the contending parties to accept their responsibility to the fatherland and to Chiapas, to abide

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by the law, to develop objective and tolerant campaigns, to respect pluralism, and to make an honest effort toward the peace and democracy that will win in the elections. "We urge" the federal, state, and municipal governments "to let democracy flow freely and to guarantee clean and legitimate elections," they added.

Senator Lopez stressed that the parties to the Chiapas conflict have already reached agreement on rules and mechanisms, which is why no electoral, political, or any other conflict can stop the electoral process. He repeated Cocopa's call to the people to vote for peace, stressing that no one can or will be able to replace the citizens' resolve.

Lopez reported that the EZLN has confirmed that it will send 106 advisers and that Cocopa has invited 25 legislators from the Indian affairs, education, and culture commissions to participate in the elections, in an effort to ensure that work gets underway on 16 October.

Electoral Organization Suspends Elections in Chiapas

PA1510033395 Hamburg DPA in Spanish 0052 GMT 15 Oct 95

[FBIS Translated Text] San Cristobal de las Casas, Mexico, 14 Oct (DPA) — The electoral organization today suspended local municipal and parliamentary elections scheduled for tomorrow in Ocosingo Municipality, in the Mexican state of Chiapas, in light of the atmosphere of tension prevailing in the region.

Approximately 1.6 million voters were to have gone to the polls in this conflict-ridden state in southeast Mexico, where the Zapatist guerrillas have operated for the past 20 months, to elect 111 mayors and 40 state deputies.

Samuel Ruiz, bishop of San Cristobal de las Casas and mediator between the government and the guerrillas, had requested the suspension of the elections to prevent acts of violence. This appeal was also made by the largest opposition force in the state, the center-left Party of the Democratic Revolution (PRD), which yesterday called for the suspension of elections in 12 municipalities, including Ocosingo, due to a lack of "minimum guarantees."

Several social organizations in Ocosingo, located 170 km northeast of the state capital, Tuxtla Gutierrez, announced yesterday they will abstain from voting to protest the alleged irregularities in the electoral register and the inappropriate location of the polling stations, which, according to them, would prevent large segments of the population from casting their votes.

Representatives of 86 Indian communities in this municipality, with over 60,000 voters and a large Zapatist influence, have said they will not allow vehicles and personnel from the Electoral Commission in the municipality.

Electoral authorities announced they will set a new date for the elections, will review the electoral register, and will stage a voter registration campaign.

Elections in Chiapas Open Without 'Major Incidents'

PA1510164695 Mexico City NOTIMEX in Spanish 1523 GMT 15 Oct 95

[By Rafael Gonzalez]

[FBIS Translated Text] Tuxtla Gutierrez, Chiapas, 15 Oct (NOTIMEX) — Some 3,007 polling stations were installed throughout the territory of Chiapas, in southeastern Mexico, starting at 0800 (1400 GMT) to allow more than 1.6 million Chiapans to elect 109 mayors and 40 deputies nominated by eight parties.

Most of the stations opened without major incidents in the 109 municipalities and 24 electoral districts into which Chiapas is divided.

This marked the start of elections in which 680 candidates of eight parties will vie for 109 mayoralties and 40 deputy seats, 24 of whom will be elected by relative majority and 16 by proportional representation.

More than 1,763,190 ballots were printed to allow citizens to elect local legislators and 1.66 million ballots to renew the leadership in municipalities.

No mayoral elections will be held in Ocosingo and Nicolas Ruiz because no political party nominated candidates in those municipalities.

More than 50,000 citizens will guard the polling stations and more than 24,000 will work at polling tables in addition to the 1,165 electoral officials.

According to reports from various Chiapan communities and regions, thousands of citizens are expected to cast their votes to elect representatives amid an atmosphere of tranquillity and harmony.

The contending parties are the ruling Institutional Revolutionary Party, National Action Party, Party of the Democratic Revolution, Labor Party, Party of the Cardenist Front for National Reconstruction, Mexican Green Ecologist Party, Chiapan Democratic Party, and Party of the Chiapan Peoples Civic Front.

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Chiapas Elections Conclude Without Major Incidents

PA1610045195 Mexico City NOTIMEX in Spanish 0230 GMT 16 Oct 95

[FBIS Translated Text] Tuxtla Gutierrez, Mexico, 15 Oct (NOTIMEX) — The elections to renew 147 elected officials in the southern Mexican state of Chiapas concluded with calm on Sunday and only minor incidents were reported as of this evening.

Francisco de la O Santana, the technical secretary of the State Electoral Commission, reported that preliminary voting results could be announced in the next few hours.

More than 1.6 million Chiapas residents were summoned to the voting booths to elect 107 mayors and 40 deputies from among 680 candidates from eight political parties, six national and two local representations.

The installation of the 3,007 electoral ballot boxes was started at 1400 GMT.

According to reports by the political parties, the majority of the ballot boxes were installed without a hitch, but some reported minor incidents that caused delays in setting up the voting site structures.

The elections for mayor in the localities of Nicolas de Ruiz and Ocosingo were postponed until 5 November, in the first instance due to the lack of a candidate and the second because of delays in delivering the electoral documents.

In Ocosingo, PRI [Institutional Revolutionary Party] militants staged a protest march because of the rescheduling of the elections, which ended without incident after the local party leaders explained the reasons the measure was taken.

Six political parties with national registries participated in the elections: the PRI, National Action Party (PAN), Party of the Democratic Revolution (PRD), Labor Party (PT), Mexican Green Ecologist Party (PVEM), and the Party of the Cardenist Front for National Reconstruction (PFCRN).

Two state political organisms also participated: the Chiapas Democratic Party (PDCH) and the Party of the Chiapas People's Civic Front (PFCPCH).

The electoral ballot boxes were guarded by more than 50,000 citizens and more than 24,000 worked as officials in the vote counting station.

Indian, Peasant Leaders on Need To Create Opposition Front

PA1410030895 Mexico City LA JORNADA in Spanish 11 Oct 95 p 17

[Report by Matilde Perez U. and Elio Henriquez]

[FBIS Translated Text] San Cristobal de las Casas, 10 Oct — The National Opposition Front must be plural, tolerant, and without sectarianisms, 243 delegates from about 100 Indian and peasant organizations, the popular urban movement, and citizens groups participating in the first meeting *For Unity and National Dialogue* have said.

In what they called a first rapport between a significant part of social organizations, the delegates stated that "there are conditions to promote the creation of the Front and there is no danger that the project may fail because the discussion has lasted several months."

Carlos Ramos, Jorge Arturo Luna, Jose Jimenez, Mauricio Ortega, Mariano Elias, and Benito Miron Lince affirmed that the Front is an initial response to the EZLN's [Zapatist National Liberation Front] proposal to establish a dialogue with society, but this does not imply it "will become a civil force within the EZLN, nor does it entail the disappearance of organizations comprising it."

Carlos Ramos, a member of the National Council of Representatives of the Democratic National Convention, explained that the Front "does not still have an official name and it is just a proposal that will be presented to the CCRI-EZLN [Clandestine Indian Revolutionary Committee-EZLN] General Command, whose members will be informed this is the result of an effort from political and social organizations to coordinate our actions in search of a new national project."

Jorge Arturo Luna, a member of the government council of the Chiapas People Democratic State Assembly [Asamblea Estatal Democratica del Pueblo Chiapaneco —AEDPCH], added that within the Front no organization "will compete with others, but they will act coordinately to promote an authentic national dialogue between the different social players."

Benito Miron Lince, a member of the Independent Proletariat Movement, affirmed that the first meeting *For Unity and National Dialogue* is a demonstration that social organizations are mature enough to create a Front, "only pending the discussion of mechanisms and an action program."

During the opening of the meeting, held at the Convention Center of the El Carmen Monastery, Mariano

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Elias read a document in which the Democratic Peasant Union, the National Coordinating Board of IMSS [Mexican Social Security Institute] Workers, the Democratic Teachers Association, the Francisco Villa People's Front, and other organizations criticized the national dialogue for state reform. They said "this does not mean there will be a true democracy because social organizations that are not affiliated with any political party are being excluded."

In this meeting, in which statements were made against NAFTA, the economic model, and the national political system, slogans in support of the EZLN were combined with the request for the defense and support of land recovery efforts in Chiapas and other states of the country.

"Chiapas Indian and peasants no longer want charity for purchasing land. Instead, we want the distribution of all large landholdings of the country, the modification to Article 27 of the Constitution, and a new constituent assembly," representatives from the Emiliano Zapata Peasant Organization of the Ayala Plan National Coordinating Board (OCEZ-CNPA) have said.

During the forum, the OCEZ-CNPA reported that five days before the elections to renovate Congress and municipal authorities in Chiapas, the *white guards* and armed groups that threaten to dislodge 165 heads of household who occupied the farms La Fortuna, Belen, and Las Nubes, in Motozintla and Escuintla Municipalities, have multiplied.

They added that the extreme poverty conditions of the peasants who make up the organization have worsened, in light of state and federal authorities' refusal to assist them in cultivating 6,344 hectares of coffee, from which they hope to obtain 40,000 quintals. "The situation is critical because we had been promised a 200-new peso contribution per hectare and they now tell us that the credits have been shut off," they remarked.

Delegates of the Indian Supreme Council of La Huasteca, Hidalgo State, and the Emiliano Zapata Eastern Democratic Front of Mexico requested the support of participants to demand the release of 22 Nahua, Huasteco, and Otomi Indians who are imprisoned in the Tantoyuca, Chicontepec, Tuxpan, and Xalapa Prisons, Veracruz State, as well as the demilitarization of the region.

PRI Political Council Announces Changes

PA1410030695 Mexico City XEW Television Network in Spanish 0400 GMT 11 Oct 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Changes were made this afternoon in the plenary meeting of the PRI [Institutional Revolutionary Party] Political Council. Cesar Augusto Santiago took the oath of office as technical secretary of the PRI Political Council; Hector Hugo Olivares was confirmed as PRI assistant secretary general; and Agustin Basabe was named president of the Luis Donaldo Colosio Foundation.

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Guatemala

Reaction to Reports on Massacre of Repatriates

Government To Strengthen Civilian Power

PA1510005595 Guatemala City NOTIMEX in Spanish 2054 GMT 14 Oct 95

[FBIS Translated Text] Guatemala City, 14 Oct (NOTIMEX) — President Ramiro De Leon Carpio today asserted that the massacre of repatriates perpetrated by the Guatemalan Army last week has compelled the government to adopt decisions that have strengthened civilian power over military power.

The president said the massacre at Xaman Farm, Alta Verapaz Department, has compelled him to adopt "difficult decisions," because they affected "military power," whose preeminence has been habitual.

In a meeting with foreign journalists at the Presidential House, De Leon Carpio explained the measures adopted as soon as he learned of the violent events in Xaman, which also resulted in 30 injured peasants.

De Leon asserted he had immediately condemned the action against the repatriates on 5 October, and he assumed the "institutional" responsibility as commander in chief of the Guatemalan Armed Forces.

He added that aside from accepting the resignation of General Mario Rene Enriquez, defense minister at the time, he ordered the dismissal of the military zone commander responsible for the battalion that perpetrated the attack, and he ordered the immediate arrest of its 26 members.

Enriquez was compelled to resign after the scandal generated by the massacre of repatriates at the Aurora 8 October settlement.

De Leon Carpio ruled out the possibility that 25 troop members and the second lieutenant in charge of the military patrol may be acquitted, because there is important evidence about their culpability, and several of them have confessed.

He said the measures adopted due to the Xaman massacre, which, in general, affect the military corps, would not have been possible in other times, not even months after he began his term. "I do not know what would have happened if this had happened two months" after the transition government began, De Leon Carpio said in reference to his arrival at the Presidency, appointed by Congress, following a foiled self-inflicted coup d'etat perpetrated by Jorge Serrano Elias.

"I was seated on the presidential chair, but I had not established my authority," the president said, clearly referring to the power exerted by the military over civilian forces.

He said the appropriate resolutions adopted by his government are normal in a legal state, but they seem extraordinary in Guatemala, where these measures had not been adopted recently against the Army.

He said his government's decisions "strengthen civilian power," which must now "occupy the spaces" "military power" is leaving.

He admitted the events in Xaman have become the worst problem for his government.

De Leon Carpio, who ends his term on 14 January 1996, reasserted his position of ruling out a coup d'etat, because the military is aware of the role it must play in the consolidation of democracy.

President Not To Allow Refugees' Return

PA1410155295 Guatemala City SIGLO VEINTIUNO in Spanish 12 Oct 95 p 2

[FBIS Translated Text] President Ramiro de Leon Carpio has said that his government will not allow more refugees to return to areas in which armed confrontations persist in order to prevent incidents such as the one that occurred in the 8 October community, Xaman Farm, Chisec, Alta Verapaz.

Guatemala is the only country in the world in which refugees are returning to conflict areas, but we must correct this because our fellow citizens must return to safer places, he added.

There is talk about withdrawing military detachments from the refugee areas, but this should not happen, because there is guerrilla activity in those places. De Leon stated that *Guatemalan National Revolutionary Unity must urgently sign a peace agreement in order to stop domestic armed confrontations and achieve national reconciliation.*

De Leon added that the possibility of installing civilian authorities in refugee areas will be analyzed, because they are currently absent in those departments.

He, however, pointed out that patrols and military surveillance operations in the communities will be maintained, but they must be reviewed to ensure that such incidents are not repeated.

Moreover, the refugees cannot live in a lawless environment, because they are part of the Guatemalan state as established by the Constitution, he added.

De Leon confirmed that next week the victims' families will be indemnified through the National Fund for Peace (Fonapaz).

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When asked about his meeting with military zone commanders, the president noted that it was a regular meeting in which they discussed military, economic, and social issues, as well as the upcoming elections and the incident in Xaman.

UN Report Blames Government, Army

PA1410013595 Guatemala City PRENSA LIBRE in Spanish 11 Oct 95 p 2

[FBIS Translated Text] The preliminary report of the UN Mission for Guatemala, Minugua, has stated that the 26 members of the military patrol that raided the community of repatriates Aurora 8 October, Xaman, Chisec, in Alta Verapaz Department, on 5 October seriously violated the right to live as they intentionally shot defenseless peasants, leaving 11 of them dead and 30 others wounded.

Minugua Director Leonardo Franco, along with Minugua Deputy Director Gerald Plantegenes; Carlos Bogglio, who is in charge of the UN High Commissioner for Refugees' Office, UNHCR; and regional officials Jaime Esponda and Goran Fejic, affirmed that the investigation was able to establish that the residents of this community bore no weapons at the time of the attack.

The field investigation indicated that around 1330 on 5 October, when the patrol arrived at the community, approximately 200 people surrounded it. The report states that *following 30 minutes of taut negotiations among the soldiers and the repatriates, a peasant grabbed a sergeant's rifle by its barrel and tried to take the rifle away from him. At this time, the sergeant ordered the rest of the platoon to open fire on the people.*

According to the information, once the attack ended, the soldiers left the community, and, 200 meters off the site of the massacre, a military officer, who was fully identified, shot at minor Santiago Pop Tut, hitting him on the hand. The officer then persecuted him and *coldbloodedly* shot him on the chest and head, killing him.

Franco pointed out that the position the National Defense Ministry took to justify the attack on civilians constitutes an *element of impunity*, because it already tried to hinder the state investigations on the events by taking advantage of its hierarchy to conceal the perpetrators.

Minugua praised President Ramiro De Leon's decision to accept the state's responsibility in this incident, because it constitutes an example of political resolve to eradicate impunity.

PDH [Human Rights Ombudsman's Office] Reports Blames De Leon and the Army for the Xaman Massacre]

Human Rights Ombudsman Jorge Mario Garcia Laguardia yesterday said that, beginning with President De Leon, followed by the now former defense minister until the Rubelsanto military detachment commander, they are all institutionally responsible for the 5 October deaths of 11 refugees in Xaman, Alta Verapaz Department.

During a news conference, the official made public the official report on the investigation his office conducted regarding the events that took place in the Aurora 8 October community. The report stressed that the armed institution is the perpetrator and mastermind of the incident and recognized that the repatriates are peaceful and have very few resources.

There was no need to form high-level commissions or to start sophisticated investigations, because it was a massacre, a genocide, and an unpunished murder that the Guatemalan Army committed against a defenseless community, he stressed.

With this case, guidelines and agreements the government had signed were violated, agreements such as the one signed among the government, the refugees, and the United Nations regarding repatriation conditions. Likewise, domestic and international laws on the conditions under which the repatriation process must take place were altered, Garcia underscored.

The refugees' international rights, the 1951 Convention, the 1967 Protocol, the 1984 Cartagena Declaration, and the 1994 San Jose Declaration were violated.

Minugua's Preliminary Conclusions

1. The military patrol violated the civilians' right to live.

2. A peasant tried to unarm a sergeant, thus prompting the massacre.

3. The 26 soldiers met at the Rubelsanto Detachment on 6 October.

4. A soldier cold-bloodedly murdered boy Santiago Pop Tut.

5. The civilians' attitude did not justify the military patrol's disproportionate attack.

6. Minugua is verifying why the platoon approached the community.

7. The autonomy the Army has in the areas of conflict must be investigated, because its counterinsurgent activities are carried out with impunity.

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8. It is necessary to promote a culture of reconciliation to prevent the 8 October community tragedy from reoccurring.

9. The Defense Ministry concealed the responsibility of the soldiers who perpetrated the massacre, thus hindering the state's duty of investigating the event as it justified the patrol's attack.

10. Minugua praised President De Leon's decision to accept the state's responsibility in the event.

11. Minugua regional officials will continue to work in the community in order to give an objective explanation.

President Interviewed on Elections, Talks With Rebels

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[Interview with President Ramiro De Leon Carpio by unidentified announcer and reporters at the Teleonce studios in Guatemala City — live]

[FBIS Translated Excerpt] [Passage omitted] [Reporter] Mr. President, in exactly one month, the Guatemalans will be voting for your successor to the presidency. Regardless of the likelihood of runoff elections, is there some plan in place to make a smoother transition to a new administration?

[De Leon Carpio] Why, sure. We have been working for a month at the level of several commissions that will ultimately unite as one: The political transition commission. Fortunately, this administration does not have — like myself and the vice president — affiliations to any political party. We respect all political institutions, but I took office, as did the vice president, without belonging to a political party, and we are also leaving office the same way. In other words, it makes for an easier transition.

First, it further guarantees free elections. Currently, there is no state apparatus favoring any party or candidate. That can be seen and easily confirmed. It has been virtually confirmed that no state apparatus is favoring any party, and it has allowed us to prepare for that transition that has rarely happened in Guatemalan history.

We will train the staff that will take on the responsibility in the event that someone wins the elections or, on the contrary, then the two parties and groups that would be voted on in runoff elections; training them and technically and politically briefing them on everything that is under way, the whole situation.

For example, in the case of the peace process, there is a commission that has conducted an inventory of commitments and obligations stemming from accords that have already been signed, of the institutions that have the responsibility for carrying them out, and the costs of each one of those responsibilities. Thus, in each area such as finance, economy, labor, defense, government, etc, there is a commission for each of those areas so that it will, finally, lead to a political commission and actually a smooth transition so the new administration will find a situation, a scene, easy to handle, and it will be able to govern with its own style and its own government agenda to face the situations it may encounter. [passage omitted]

[Reporter] We also hear about covert backing by the presidency for a political party. Is there an official party in this campaign, or not?

[De Leon Carpio] I think the Guatemalan people know the answer. On previous occasions — and this will be a unique case — there has always been a official party, and that is logical, and henceforth there will be one, because the next government will reach power thanks to one or two political parties, depending on who the people elect. In this case, the people who are watching and listening to me know exactly, whether they are in some village, some farm, some hut, some municipality, some departmental capital, if they have observed official machinery in favor of a political party. One can detect that.

In fact, some analysts say that is the reason the campaign is a little lackluster; it does not have the color and warmth it ought to have, because the state apparatus is not involved. Let us just imagine the vehicles of just the Health, Communications, Public Works, and Transportation, and Government Ministries, in sum, ... [pauses] When the whole state apparatus sides with one party one can easily detect that. That is the part that would be physically noticeable.

You talk about a covert or sophisticated .... [pauses] That is not true either. Currently and fortunately, we have a monitoring mechanism by watchdog organisms, mainly by the Congress of the Republic, which does not just perform a legislative but also an oversight function, and is performing that function for the first task; it would be impossible to invest or transfer funds that belong to specific areas in order to help the campaign of another party.

The personal answer I can give you, the answer the president can give, is that I have no need to support any political party. I stand to gain more before the people by not helping any political party and telling the people the truth than by supporting a party. What do I stand to gain? I became president without any political party. I became president because God and circumstances ....

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[pauses] because God wanted it that way and because the circumstances allowed me to serve Guatemala. If I became president without a political party, something unheard of in history, why should I support a political party when I step down?

I repeat, I stand to gain more from a political standpoint and in going down in history as a man who remained impartial in an election than if I supported a political party, because such a thing would become known.

I regard the innuendo, rumors, charges, as logical, since all is fair in a political campaign as the politicians running for office say, but I am not participating in the elections. The concept that all is fair centers on attacking the president and the government, as that is seemingly the easiest way to attract followers. In this case, however, the people will answer and show signs if they support or reject attacks on the president.

I repeat, with all due respect to the institutions and news media that have at some point made any such allegations, that is completely false. I am not supporting any party; there is no official party; there is no official candidate; and there is no signal or proof that this is happening, and I will not do it either.

From a moral standpoint, I feel I have a commitment to the Guatemalan people. I have said, and when I say this, those who may be watching me mainly in the countryside will recall that my sole commitment is to Guatemala. My political party is called Guatemala, and I have a commitment to the people of Guatemala. I will continue doing that until 14 January of next year. [passage omitted]

[Reporter] Let us go on to another topic, Mr. President. The signing of a peace agreement has been announced as something foreseeable in the short term. For months, however, the negotiations have not gone beyond the socioeconomic and agrarian topics. To what do you attribute the slow progress of the talks, and when do you think the final peace accords will be signed?

[De Leon Carpio] We must first consider that the topic is not easy. The socioeconomic-agrarian topic is tremendously complex. Proof of that is that inside Guatemala some sectors have argued, reflected, commented that this is not an easy topic. It is perhaps the most difficult topic because we are talking about the agrarian topic, the topic of land, something that for 500 years has been the most difficult topic to handle. In fact, it is one of the most controversial topics. Governments have fallen, attacks have been carried out, people have been killed, everything has happened because of that topic. It remains a controversial issue.

I have a very particular opinion. I think that land must produce jobs, generate jobs. There cannot be enough for everybody, or else each one of us will just get a patch of land, and even so, it would not be possible to give land to everyone. That would be entering into such heated topic; you see, I am getting wrapped up in it. The fact is that it is a difficult topic. That is why, the same as with the previous topic, that of Indian peoples' identity and rights, which was a very complex topic, we have spent a great deal of time discussing it also. This is a topic of a structural nature that we had to handle considering the different viewpoints and arguments.

There is another reason for it, however, and it is the URNG [Guatemalan National Revolutionary Unity] — and I am saying this very frankly. In the past days and months, the URNG has shown no political commitment to advancing. Whether it does it for strategic reasons, or because it thinks the peace accords must be signed later, I do not know. Whether it is doing that as a political strategy, since it is participating in the elections, I do not know. What I do know is that we, the government — and the Army which is part of the government — have a political commitment that is not in doubt locally or internationally.

On the other hand, one does have doubts regarding the URNG's political commitment. To reach an agreement on this matter, as well as on the others, and to sign a peace accord, the two sides, not just one, must be in accord.

[Reporter] In other words, it would be circumstantial. We are not talking about an impending date.

[De Leon Carpio] The idea in this specific case is to sign this agreement on the socioeconomic and agrarian issues in the month of October. We hope to be able to sign the agreement on the next topic, which is the Army role and the strengthening of civilian authority, between November and December. Once this topic is concluded, somewhere in November or December, we would be practically on the threshold of peace. We would then only have to deal with the operational part.

After resolving the substantive part comes the operational part, which involves the cease-fire and demobilization. This would be the end of the war, the end of the internal armed confrontation.

Now, we will have to see if there is a real political will on the part of the URNG, or if it opposed to peace. For our part, we will be at the bargaining table. Since you asked me this question, perhaps we must inform the people of Guatemala that, as president of the Republic, I would love to sign the peace accord. This is really a

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dream. However, I will not rush into trying to sign a peace agreement.

We are going to go as far as we should go, within what we can attain. In other words, I will not rush into signing the peace accord. I believe we must continue to struggle. We have shown that political determination.

However, in our quest for peace, I will not pledge to sign a peace agreement in a specific period of time. We are going to go as far as we can. We will give the next government ... [pauses] The signing of a peace agreement is an irreversible fact. Sooner or later or sooner than later, the conclusion of the internal armed conflict is irreversible. No one can deny that over the past two years we have signed accords, such as the Global Accord on Human Rights, the Commission for the Historical Clarification of Events, the Commission of Displaced Communities, the Commission of Identity and Rights of the Indian Peoples, and today on these two issues which had not been attained before. This is what making progress is all about.

We must not forget that the internal armed confrontation and guerrilla presence have lasted 34, nearly 35 years. We have 35 years of chaos, death, destruction, devastation, orphans, widows, etc. All this means that given that this war has lasted nearly 35 years, the peace process is not easy. History demonstrates that the different wars require a similar time for wounds to heel. But I am not saying a period consisting of the same number of years, because we would then have to wait another 30 years. But this is not easy, especially if at some point, one of the parties — in this case the guerrillas — has not defined whether they have political will or not. Rather, it appears the guerrillas' strategy is to prolong the war.

But in a nutshell, I wanted to take advantage of this question to clarify that we are going to advance as much as we can. What I am convinced of is that the entire Guatemalan people must be aware of the need to conclude this armed conflict; first, because this is the main source — I said this when I served as human rights attorney and today I reaffirm this as president — of problems and human rights violations, especially the right to life, freedom, dignity. On the other hand, it poses an obstacle to social and economic development.

A country like ours may get ahead more easily without the obstacle of guerrilla presence. In other words, human, economic, social, and cultural rights may be respected, as well as health, education, housing, and work. The conflict is an obstacle.

However, the signing of the peace accord will not resolve all problems in Guatemala but will eliminate an obstacle. This would be the first step to take other steps, as you asked me, regarding social issues. I said this is the challenge of the future.

[Reporter] With regard to the inconveniences, some sectors question the dialogue with the URNG amid a great deal of secrecy, while the guerrillas continue to collect the so-called war tax, principally in the area of Santa Rosa. If this guerrilla practice continues, could dialogue be broken off?

[De Leon Carpio] No. For our part, we will not break off the dialogue at least until 14 January. We will not abandon the bargaining table, because I have a commitment to the people of Guatemala to make whatever sacrifice is required not to abandon the bargaining table.

Now, with regard to your question there are two issues: One is sitting down with illegals, with persons who have been militarily defeated, but who still can inflict damage and maintain some presence. No one believes guerrillas will seize power by force, either here nor anywhere else in the world. We know the support or Marxist-Leninst ideological support of these movements has crumbled.

However, it is a fact they still maintain presence and can inflict damage. A terrorist device may go off and kill a child, a woman, an adult, a youth as we speak, or an armed clash could be occurring, or a military detachment may be under attack presently resulting in the death of one officer, one soldier, or one guerrilla, or one resident. In other words, a human life may be lost as we speak.

This means that there are still problems; there are still clashes and guerrilla presence. Therefore, this conflict must end.

Regarding our sitting down with them, in every war or confrontation there should be room for moments of illegality [three-second break in reception] someone may say it is illegal to sit down with them, because they are outlaws and are criminals, terrorists, in sum they are acting in a criminal manner. However, we must sit down with them in order to attain peace.

Evidence of this is the fact the very Army is sitting down with them, in spite of the fact it defeated them militarily.

In other words, this is a difficult topic. For someone who does not want peace, it would be best to talk about formalities: Gentlemen, the government cannot sit down and talk to them because they are outlaws. But we need to make room for them so they can join the national life. We would have to find a figure here.

On the other hand, with regard to the ill-named war tax — because it is just another crime they perpetrate — that

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is a problem that cannot be easily controlled. If that was the argument to stop talking, they would be winning the battle; they would be forcing us to abandon the dialogue. This dialogue is precisely aimed at ... [pauses] with the international pressure which is another element we have not mentioned.

They cannot resist much longer either. We are currently in a better position than they are at the international level. They cannot take that pressure for much longer. They are also lacking the aid they used to have. To prolong this confrontation would perhaps not be advisable for them.

[Reporter] As for last week's tragedy at the Xaman Farm, Guatemala is once again under the critical eye of the international community. What do you think were the factors involved that contributed the most to exposing the repatriated persons to that type of risk?

[De Leon Carpio] That is a very serious problem, not only now but in the future. Perhaps for me the most troubling thing has been that the conditions under which the Guatemalan brothers are returning to their country — because they have the right to return — makes them vulnerable, very vulnerable, especially because of the socioeconomic conditions under which they are coming here and because of the point of view of their security. As for the first case, I held a meeting with the mediators, and I told them that we cannot continue to bring people back if the land problem is not resolved yet. These are peasants who want to return to their lands, the lands they left 10 years ago. Sometimes this is not possible. The 8 October 1992 agreement establishes the procedures for this.

As for the Xaman case, there were approximately 100 persons who were coming from the Victoria 20 de Enero Community. They had returned a year ago to a place that was not their place of origin. They had no land and had been living in very poor conditions. Why? Because the process was rushed. The process was rushed at that moment. The first step should be to fulfill the 8 October 1992 and 12 January 1993 agreements. These people should be given lands. Sometimes we do not have them. The state does not have the resources to buy the farms it wants, but it is a process that is under way.

We also have to mention the security problem. Guatemala is the only country of the world in which refugees return without the war being over. That is illogical. How can you expect Guatemalan refugees to return to places where there is still guerrilla presence and where the Army has to patrol and repel that guerrilla aggression? It is a difficult situation. That is why it is very important for the internal armed conflict to be over. Once the war is over, the population will be able to enter the country under better security conditions. The socioeconomic problem would be the only one left to be resolved. We will have to see how their agricultural production can be developed.

This tragedy was an incident. All serious organizations, the Minugua [UN Mission for Guatemala], the human rights ombudsman, the office of the Archbishopric, and the Human Rights Office have ruled out that this was a premeditated incident. They have ruled out that there were masterminds behind the incident. It is an incident that occurred and could have occurred before. There were other cases in which perhaps the conditions were different. The criteria was different and that is why the consequences were not as unfortunate as in this case, but this case was the product of an abnormal situation. It was a situation in which the repatriated persons are returning to places in which there is no security. There should be civilian authorities in the area in the future. Those areas are not liberated territory. They are part of the national territory.

[Reporter] When will the civilian authorities be sent there?

[De Leon Carpio] They should be arriving now. Precisely today we spoke to the people who are mediating between the refugees and the government. At my request and with the dialogue we held concerning these topics, the mediators are going to try to find mechanisms so that the repatriated persons can find a certain authority present when they arrive. A state has territory, population, authority, and a legal order. A part of this territory cannot be isolated. There cannot be liberated areas as some may call it. That is one topic. The other has to do with security in general. When I speak about authorities, I am referring to auxiliary mayors, the Copredeh [Presidential Commission for the Coordination of Human Rights Affairs], Minugua, national police, or municipal police.

Had there been some kind of authority present in the area, the incident could have probably been avoided and, if the incident had taken place, the authority present could have helped us find the truth about the incident.

[Announcer] We would like to remind listeners that telephone number 68-21-65 is available for your questions, which we will gladly pass on to the president. Following the Xaman Farm incident and the change in defense ministers, there have been rumors of a coup d'etat. Was there really any degree of unrest in the Army?

[De Leon Carpio] No, none. I say this with all honesty and frankness. Had I been there, I would have told the Guatemalan people with the same frankness. If there had been any indications, the first to be told would have

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been the journalists, because I have always behaved that way. I flatly deny any unrest, there was none. This is one of my satisfactions and a satisfaction my administration has and a satisfaction the Guatemalan people should have. We have overcome that stage and now there is political and institutional stability. Right now this is completely illogical, and there is no reason for it, it is simply out of the context of reality, it would be a break. Imagine what would happen in Guatemala and at the international level and the implications abroad.

But in addition, there is a question of conviction and existing awareness. As I have especially mentioned, there is a question of conviction within the armed institution and its assigned role within the democratic system, which totally prevents this. In other words, there are not only external reasons at the international level and at the citizen level, but there are also internal reasons. There are reasons the Army itself handles and is aware that its role is a role established in the Constitution, and these events are fortunately things of the past.

I believe that it is good that Guatemalans have started becoming accustomed to not believing these rumors, this gossip. Regrettably this country thrives on gossip and other things, true? But in this case we need to contribute and especially behave as serious people. I noticed today a statement by a presidential candidate — fortunately all the others have not gone along with this. But I believe, as I once said, that a presidential candidate should tell citizens about his government's program, what he intends doing if he becomes president, but he should not use one of these rumors to attract attention. I believe this is not being serious.

Fortunately, no, I reply with much certainty, there was no unrest, no attempt. Absolutely nothing. Furthermore, in fact, just as the press have already mentioned, yesterday I attended a meeting — an ordinary meeting — with the Army commanders, in which I informed them of these events and of other topics, which I generally speak about, such as topics dealing with the economy, politics, and social issues.

In this case, of course, the main topic was the military issues on last week's events. All this transpired in a very normal way, which is currently the way these topics are dealt with — in a very professional manner, very aware, I repeat, that the Army's role in a democracy is one that has been clearly established in the Constitution. An institutional break is not possible.

[Announcer] Very well. I am going to continue with the questions. Regarding the new defense minister, how would you describe him? Is he oriented toward the Army's hard line, or to a certain institutional sector?

[De Leon Carpio] I am going to reply very frankly: Currently there is no hard line or soft line. Right now there is an Army that respects institutionality and has cooperated with the institutions. Please recall that when I became president, it was precisely the Army that obeyed a Constitutional Court ruling, before my becoming president, of course. The Army practically played a supporting role to that institution. The Army has continued along those institutional lines. There is no other line. There may be a few who may be more flexible than others...

[Announcer, interrupting] Conservative?

[De Leon Carpio] More conservative and others more progressive or more liberal. This even happens among professional groups such as bar associations or medical associations. They could have different opinions in this case, however, although their function is institutional regarding certain issues; therefore, there are no differences among ministers. They might differ as to personality and temper, but the institutional aspect is a single one.

The Army is a single institution, and its projections, goals, and functions are one. Thus, I do not want to exaggerate by saying there might now be granite-like unity of opinion, but there is institutional unity so as to consolidate democracy. Even more so, I dare say in this regard that the new government will find a totally stable Army. I do not say so, but experts do. The Army is facing problems due to remarks and attacks against its image both locally and abroad. If local polls are considered, the Army is not given a very low ranking; on the contrary, national polls that were conducted not by us or the Army but by the business sector and other nongovernmental agencies give us a good ranking.

Certain groups and organizations have made remarks, thus creating a problem; nevertheless, there are no internal problems. There are problems abroad due to remarks against its image. I repeat: There is a very clear concept of what its role is. At present, there is stability in the Army. The new president will find an Army that has a normal flow in hierarchy that will continue to be normal.

[Reporter] It has been said historically that the Army has meddled in government decisions. Has this ever happened to you?

[De Leon Carpio] No. I have had total freedom. I admit that logically I have examined military issues with the Army's highest military leaders; that is, the defense minister and the chief of staff for national defense regarding political issues. For example, I have never consulted anyone or had anyone exercise influence when

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I decided to purge state agencies and when I faced the political [words indistinct]. I did not encounter any opposition or objection or made any consultation when I faced the tax reform problem, which involved a so-called clash with the economic sector. In other words, I have had total freedom to make decisions, which in many cases have been difficult, but I made them.

I insist that on military issues there has been an examination and talks with the highest military leaders, of whom I am a part and preside, but in this sector, I have made decisions I have considered convenient for the institution and the country, but never to hurt or benefit anyone. Your question allows me to tell the Guatemalan people with great satisfaction that I have made all of my decisions, which history will judge, including the most difficult ones with institutional orientation.

I never intended to benefit any individuals, groups, or institutions or to hurt anyone. It so happens that a presidential decision has these effects: Either it hurts or benefits someone. Nevertheless, I have always thought of the country or its institutions. Thus far, the decisions I have taken into consideration and will make until 14 January continue to be institutional.

[Reporter] Regarding the former defense minister's resignation, it is not clear yet as to whether it was requested. What do you have to say in this regard?

[De Leon Carpio] I want to answer that various decisions were made regarding the regrettable event of the [word indistinct]. First, as president I accepted the institutional responsibility and, consequently, the information was openly available to the media. The information gathered by the news media, with respect for human lives, has helped us to demonstrate there is progress. This would not have been possible 10 or 15 years ago when access would have been denied to the media.

The news media possibly would not have access as it had now, [words indistinct] president comes up before any resolution or remark accepting right away the institutional responsibility. I made it clear this does not mean I or the minister or the zone commander had ordered this or that there were any orders. No, this has already been rejected. The institutional responsibility, as it happens in any other institution, as I have said, like a hospital [words indistinct] result in the death of a patients for lack of skills or negligence; then, the one who directly committed this act is responsible but so is the head of surgery, the hospital's director, and the hospital. This is institutionality or institutional responsibility. In this regard, I also made the decision immediately to place the officer and 25 soldiers of the patrol involved under court authority. [passage omitted]

Nations Urge Government, Rebels To Continue Talks

PA1410234795 Guatemala City Televisiete Television in Spanish 1900 GMT 12 Oct 95

[From the "Channel Seven News" newscast]

[FBIS Translated Text] Due to the beginning of a round of negotiations between the government and the guerrilla groups today, the group of friendly nations of the peace process has recognized the willingness demonstrated by the government's peace commission and the URNG [Guatemalan National Revolutionary Unity] General Command to advance with the support of the United Nations.

The group of friends, comprised by Colombia, Spain, the United States, Mexico, Norway, and Venezuela, has urged the parties to continue their negotiation efforts until they achieve, as soon as possible, the immediate subscription of an agreement on socioeconomic issues and the agrarian situation.

Nicaragua

Highlights of U.S. First Lady's Visit Noted

PA1310142595 Panama City ACAN in Spanish 1212 GMT 13 Oct 95

[FBIS Translated Text] Managua, 13 Oct (ACAN-EFE) — U.S. First Lady Hillary Rodhmam Clinton has said that the U.S. Government will "remain firm" supporting Nicaragua's democratic efforts and the struggle to overcome poverty and dependency.

At the end of a six-hour visit to Nicaragua, President Bill Clinton's wife stressed the progress made by Nicaraguan women to live with dignity and pride, as well as their participation in political life. In that sense, she compared and praised the efforts carried out by Nicaraguan women, leaving behind the "terrible tragedy of war, in the same manner as other women in India, Bangladesh, and the United States have done."

Mrs. Clinton stressed the progress achieved by Nicaraguan women in political life. "There are many women in the government, from the top (the president) to lower positions, which is good not only for women, but also for the democratic process." Mrs. Clinton said.

The U.S. first lady made those remarks in addressing 1,000 Nicaraguan women representing all social levels at the Olof Palme Convention Center in Managua. "We are active partners of Nicaragua because we believe in the democratic mission you have started," she said.

Mrs. Clinton also voiced her concern for the epidemic of classic and hemorrhagic dengue afflicting this Central

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American country, "which could threaten the United States and Canada."

According to Hillary Clinton, after a decade during which thousands of millions of dollars were spent in stabilizing countries in the area, "now democracy faces its most difficult test." "This is not a time for those here (in Nicaragua) or abroad who support democracy and liberty to turn their backs to Nicaragua, a very courageous country," the U.S. first lady stressed. "We must remain firm in supporting its efforts and convey the message that through better health, education, and good jobs women can build a stronger Nicaragua," she added.

Raising her voice, Hillary Clinton said: "We must realize that by uniting the Nicaraguan family and making its economy grow, the country will continue to be a vital partner in the hemisphere's democratic family."

"During this short visit I have seen the great things you have done and I hope to return some time to see more," Mrs. Clinton said in closing her speech, which was received with a standing ovation from the 1,000 women present at the auditorium.

Meanwhile, in one of her meetings with Mrs. Clinton, President Violeta Chamorro stressed that Hillary Clinton, together with her husband "have been accompanying us in our process for peace, reconciliation, and democracy."

The U.S. first lady departed yesterday for Santiago de Chile after ending her visit to Nicaragua, where she showed interest in the women's struggle to eradicate poverty and start the quest for self-dependency.

In Nicaragua, Hillary Clinton today began a tour of Latin America, which will include Chile, Brazil, and Paraguay, where she will participate in the Fifth Conference of Wives of Heads of State and Government in the Americas on 16 October.

The plane in which Hillary Clinton and her associates, which include Alexander Watson, U.S. under secretary of state for Latin American affairs, among others, departed at 1740 local time (2340 GMT) on 12 October.

Further on Nicaraguan Visit

PA1410200395 Managua BARRICADA in Spanish 14 Oct 95 p 6

[Report by Fidelina Suarez M.]

[FBIS Translated Text] U.S. First Lady Hillary Rodham Clinton stated that she was impressed by the progress made by the women who established the Community Bank in the neighborhood of Acahualinca. This bank was named after her yesterday as a homage to her visit to Nicaragua.

At noon yesterday, Hillary Clinton visited this community bank, which was established by lower-class women and was designated "Ambassador of the World's Poor Women" because of her great support for the productive work of women.

In spite of the fact that she only stayed in the country for six hours, Clinton completed a previously arranged agenda. She talked to children, women, and local government authorities, and she held a private meeting with President Chamorro.

In this meeting, Mrs. Clinton handed President Chamorro a letter sent by U.S. President Bill Clinton. In this letter, President Clinton reiterated that there will not be any massive deportation of Nicaraguans living in the United States.

President Clinton's letter stressed that all the cases of Nicaraguans living in the United States will be individually reviewed, with compassion and humanity.

"Nicaraguans who no longer need protection because of the threat of a civil war will be subject to being deported, jusst like the citizens of any other country, but there is no effort that specifically targets Nicaraguan nationals," one of the paragraphs of this letter read.

Clinton also stressed his wife's enthusiasm about her visit to Nicaragua, since she was impressed by the contribution made by President Chamorro to the Women's Agenda during the Summit of the Americas held in Miami in December 1994.

During her visit to the Community Bank, a project sponsored by AID, Hillary Clinton sent a message to the poor women in the neighborhood of Acahualinca, and stated that she had already heard in the United States about "her deeds."

The first lady stressed the significance of giving economic support to women in order to contribute to the prosperity of the family. "Being with you is an honor for me, as well as the fact that you have decided to name the bank after me. I thank you. This is one of the highest honors I have ever received," she said.

Mrs. Clinton asked the women in the neighborhood of Acahualinca to continue keeping her abreast of their achievements. "Unfortunately, I cannot do what you do; I do not know how to make tortillas," said the first lady.

She emphasized the importance of the program FINCA [expansion unknown], which has established 100 community banks in Managua, and remarked that investing

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in the family implies prosperity for women, men, and children.

At least 1,500 women from different social strata listened to the first lady's message at the "Olof Palme" Convention Center. In her message, she affirmed that "she was pleased to come and see the progress being made in this country."

During her speech, Mrs. Clinton recalled the hard times the country has faced and added that the United States will always be a brother to Nicaragua.

Mrs. Clinton reiterated the U.S. decision to support democracy and the free market system all over the world.

She criticized in her speech the exaggerated use by the governments of weapons and the destruction of natural resources. The first lady indicated that women, men, and children must have access to health, jobs, education, and credit.

Referring to the family, she said that the stronger this institution remains, the stronger the community and the nations will be, and in the case of Nicaragua, she pointed out the strength of women, who have been fundamental in achieving economic change.

Before speaking to the women gathered at the "Olof Palme," U.S. first lady Clinton held a 15-minute meeting with President Chamorro.

Clinton toured, accompanied by Chamorro, the presidential office. The president showed her illustrious guest the different phases of her government, captured on photographs displayed in her office.

An hour before this meeting, Chamorro received Clinton in her house, where she showed her the nontraditional Nicaraguan products that are being exported to the United States.

Chamorro showed Clinton the pitahaya fruits and the beverage that is made from them.

Mrs. Clinton left the country at 1740 in the afternoon, on a private flight to Chile. Chile is one of the four countries she will visit in her Latin American tour.

Professional Women's Reaction

PA1310201495 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 13 Oct 95

[From the "National Newscast"]

[FBIS Translated Text] Many women believe the visit by U.S. First Lady Hillary Clinton to Nicaragua is an indication of the new relations between Nicaragua and the United States.

[Begin Honduran Education Minister Zenobia Rodas De Leon Gomez recording] We women graduate from universities, but it is very difficult for us to hold government positions or hold ranking posts in public or private organizations. Hillary Clinton is the best and a very encouraging example for Latin American women to pursue an active participation in politics, business, and the development of their countries. [end recording]

[Begin Nicaraguan Supreme Court Magistrate Josefina Ramos recording] I believe Hillary Clinton's visit is proof of the new relations between Nicaragua and the United States. I believe her visit represents a very important encounter for Nicaraguan women because it will show the Nicaraguan Women's Movement her strength, support, and interest in improving the quality of life of Nicaraguans through new initiatives and projects that can be supported by the U.S. Government at the level of the international banks and the international cooperation agencies. [end recording]

[Begin Nicaraguan Attorney and Feminist Leader Ivania Guzman] [Nine-second break in reception] seek the protection of the helpless, the family, the children, the poor, and the lower class. Based on this, I believe her visit is important because it will help her realize that our country, as well the rest of Latin America, are facing the same problems, and that somehow, she will help promote a more just economic policy for our peoples. A more just economic policy will undoubtedly benefit women, who constitute the hardest hit group in our society. [end recording]

Cuadra Announces Sea Surveillance Reinforcement

PA1510210195 Managua BARRICADA in Spanish 13 Oct 95 p 9

[Report by Freddy Garcia Eschke]

[FBIS Translated Text] General Joaquin Cuadra Lacayo, commander in chief of the army, has announced that the protection of Nicaragua's territorial waters in the Atlantic will be bolstered by the purchase of three Israeli-made patrol ships and by other options that are being discussed with the executive branch.

Cuadra made the announcement yesterday at the end of Salvadoran Defense Minister Division General Humberto Corado Figueroa's visit to Nicaragua. Corado's visit culminated with the signing of an agreement of mutual cooperation between both armies.

Both countries will appoint military attaches at their respective embassies by 1 January 1996. Meanwhile, commissions formed by officers designated by both general staffs will define the terms of the agreement, which will be signed on 31 January 1996.

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Both military leaders agreed that the accord establishes the foundations for solid, honest, and mutually trusting relations that will contribute to Central American unity.

Corado noted that the accord strengthens the region's security and will make America a continent of freedom and free trade by the year 2005, in accordance with the goals adopted by the American defense ministers in July 1995.

Gen. Cuadra said that arrangements are being made to obtain more resources that will allow the Nicaraguan Navy to deal with the intense piracy and the illegal traffic of ships in the country's jurisdictional waters in the Atlantic.

He added that three Israeli-made Dahur patrol boats will be purchased for surveillance on the high seas, and negotiations are under way for the purchase of other types of boats for coastal surveillance.

Panama

Taiwanese Ambassador Interviewed on Investment Plans

PA1410032595 Panama City Telemetro Television Network in Spanish 2300 GMT 10 Oct 95

[Interview with Taiwanese Ambassador to Panama Ping-cha Su by Dorita de Reyna in the network's studios; from the "Telemetro Reports" newscast — live]

[FBIS Translated Excerpt] [Reyna] Taiwanese Ambassador Ping-cha Su has said that Fort Davis' development and Evergreen Corporation's investment will lead to the creation of more than 20,000 jobs in Panama and that Panama is number one priority in Taiwan's investment plans. Taiwan commemorates its national independence day today.

Taiwan's investment, mainly in reverted areas and ports, is being talked about much these days. Is this just a promise? Is it just an intention? Or have all of these investments been formalized? To comment on this, we have His Excellency Ping-cha Su, Taiwanese Ambassador to Panama, in the studios. Welcome Mr. Ambassador.

[Su] Thanks.

[Reyna] I am taking the opportunity to wish you and the Chinese residents in Panama happiness on the occasion of the commemoration today of Taiwan's 84th anniversary. Mr. Ambassador, we know there is a binational project whereby Fort Davis would be developed by the Taiwanese and Panamanian governments. What is the nature of this project and what is the Taiwanese private enterprise's participation in this project?

[Su] According to the understanding and agreement between the two governments, we will create an export processing zone in Fort Davis using a 100-hectare plot of land. Approximately 30 hectares have been considered for the first stage. The project will be developed by a privately-owned bilateral company. In addition, we have organized a joint venture, also private, to develop the project and stimulate the entrepreneurs' interest. All of the infrastructure costs will be borne by future investors. [passage omitted]

[Reyna] Can you tell us how much Taiwan's investment in Panama is worth, both by the government and the private enterprise?

[Su] As far as I know, the initial stage of the project that Evergreen will initiate will be worth $75 million and could reach $120 million.

[Reyna] In total.

[Su] Yes. As for the export processing zone project...

[Reyna, interrupting] In Fort Davis?

[Su] Yes. In Fort Davis, we estimate that the initial investment will be between $45 million and $50 million. It has been estimated that the total can reach tens of millions of dollars. But this depends on the plant's nature.

[Reyna] How long will it take the Evergreen container project and the Fort Davis project to be completed? One year, two years?

[Su] We are doing everything possible to stimulate our businessmen to come here and invest. We expect to start building the infrastructure in November or December of this year. [passage omitted]

[Reyna] Regarding investment development, how does your country rate Panama in comparison with other countries?

[Su] Our country has just organized an international investment developing company. The first goal of this company's operations is Panama.

[Reyna] Do you mean we are rated priority number one?

[Su] Number one now. Frankly, however, this also depends on the hospitable and very competitive climate that Panama can offer, in addition to the favorable factors I have already mentioned.

[Reyna] Thank you very much, Mr. Ambassador. It has been said clearly that the Taiwanese government regards Panama as priority number one and the ambassador has confirmed that Fort Davis will be developed by Taiwanese enterprises, which will create between 7,000

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jobs in the initial stage and a total of 20,000 jobs. He also said that Evergreen will employ approximately 500 people with an estimated investment of $120 million. This are good news for Panama. Let us hope all this can be fulfilled. Thanks again, Mr. Ambassador.

[Su] Thanks for the opportunity to report on this project.

PA Not To Participate in Talks on U.S. Bases

PA1310231695 Panama City LA PRENSA in Spanish 12 Oct 95 p 2

[Report by Manuel Alvarez Cedeno]

[FBIS Translated Text] The Arnulfist Party [PA] last night declined the invitation made by President Ernesto Perez Balladares to participate in the committee that will hold talks with the United States on the military bases. The government's reply to this decision was that the PA "has declined the historical responsibility of becoming part of an important decision."

Perez Balladares invited the PA to appoint a representative to the exploratory talks on the bases with the United States, which will begin between 6 and 15 November in Panama City.

After various meetings, the PA issued an official communique last night stating "we do not deem appropriate our participation in the exploratory talks" with the U.S. Government.

The Foreign Ministry issued a communique in response, stating that the PA "has declined fulfilling a historical responsibility of becoming part of an important decision, whatever would have been the result of the talks."

The United States maintains 10 defense sites and approximately 7,500 soldiers in Panama. The soldiers will have to leave the country by 31 December 1999 in accordance with the 1977 Torrijos-Carter Treaties.

The Arnulfists said that they studied the proposal made by the government, but noted that the constitutional responsibility of directing the state policy falls on the president and the corresponding ministers.

The Foreign Ministry said there are issues that because of their high level of importance to the country, should be debated by all political groups. For this reason, he added, people expect that the opportunity to participate in a disinterested way, will encourage sincere participation to air views inside the country and offer the best solutions.

Nevertheless, according to the opposition "this responsibility should not be shared, given the difference of objectives between the current government and our political position as part of the opposition."

The Perez Balladares Administration replied that on "a subject of such high importance to the country, the government will try to increase the participation of all interested parties, so that at the end, the decisions that best suit the country's interest are adopted."

The PA stressed that it will fulfill its historical responsibility of guiding the people "from our nationalist position as an opposition party in each one of the phases in which the national debate will develop on whether or not the military bases are beneficial to us."

One of the Arnulfist leaders who fought within the party to reject Perez Balladares' proposal, was former president Guillermo Endara.

The Arnulfists stressed that they believe the government "continues with the same political practices that provoked so much skepticism in the past, because what they say is not what they do."

The opposition party recommended that the debate on the permanence of military bases should be broad, extensive, and profound, because "the voice of the people is the voice of God."

The Foreign Ministry noted that the invitation to the PA was to give that party the opportunity to express to U.S. representatives face to face their concerns and reservations, as well as the points of agreement that could exist.

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Argentina

Cuba, U.S. Embargo, Relations, Positions Viewed

Clinton Move: 'Sensible Contribution'

PY1310224795 Buenos Aires CLARIN in Spanish 12 Oct 95 p 14

[Editorial: "Clinton, Castro, and Latin America"]

[FBIS Translated Text] Clinton's measures to moderate the blockade on Cuba represents a sensible contribution to the Caribbean country's transition.

As such, the U.S. President's announcements do not involve a substantial change concerning the economic and trade embargo that has been implemented as a political sanction against the hegemonic and authoritarian nature of Fidel Castro's government. Nevertheless, the moderation of the restrictions on the exchange of and cooperation on communications, information, and human rights has a direct impact on the more flexible approach which Cuba is already adopting toward foreign investments and the unofficial exchanges among entrepreneurs, family members, academicians, and the clergy.

European and Canadian capitals have established themselves as the main foreign support for three decades, supplying a respite for an economy strangled by the collapse of the communist world and by the U.S. blockade. The response of the most intransigent U.S. sectors involved reinforcing the embargo, a Republican proposal that was approved by the representatives in Washington.

There are two opposing views here in the way of supporting the progressive democratization of the Castro regime. Clinton's most recent announcements favor the rapprochement stances and pave the way for an opening that is already taking place in practice.

If these measures are complemented by the U.S. foreign policy as a whole and the Cuban Government's reactions, they would definitely contribute to the Caribbean island's detente, with unavoidable repercussions on its domestic political and social setting.

Fidel Castro's presence at the Ibero-American summit in our country this weekend must be placed within this context. It represents an opportunity for Cuba's reinstatement in a common hemispheric space, overcoming unpleasant aftertastes and remnants of anachronistic political and economic situations.

Cooperation Agreement 'Finalized'

PY1510222995 Buenos Aires TELAM in Spanish 2024 GMT 15 Oct 95

[Report by special TELAM correspondents in Bariloche]

[FBIS Translated Text] Bariloche, 15 Oct (TELAM) — Carlos Zaballa, the Foreign Ministry international cooperation under secretary, today confirmed in Bariloche that Argentina and Cuba finalized a cooperation and exchange agreement.

Zaballa reported that under this cooperation agreement, Argentina will provide technical advice to Cuba on state reform, tax reform, and tax collection, while Cuba will cooperate with our country in the field of biotechnology.

President Carlos Menem offered Argentine technical support to Cuba during the meeting of the World Economic Forum in Davos (Switzerland) at the end of January.

At that time, Menem congratulated himself on the fact that the Cuban Government was analyzing the Foreign Investment Law currently in force in Argentina. He then hinted that Argentina might send experts to the Caribbean island.

Zaballa, who traveled to Havana last month, confirmed the clinching of a cooperation agreement although he made it clear that "some details and perhaps a political definition by the Cuban Government are still needed."

The Foreign Ministry official told TELAM that "we have agreed to provide advice on state and tax reforms in exchange for cooperation in the field of biotechnology, in which Cuba has much know-how" [preceding word in English].

Replying to a question by a reporter from the anti-Castro Radio Marti about whether this cooperation agreement meant rapprochement between Argentina and Castro's regime, Zaballa said: "The fact that we finalized a cooperation agreement with Cuba does not mean Argentina buried its differences with the Cuban regime."

The under secretary added: "Argentina neither endorsed nor participated in the embargo on trade with Cuba. This made it possible for us to bring Castro to the negotiating table to discuss the settlement of Cuba's debt with Argentina," which amounts to $1.3 billion.

Zaballa added that he was aware of the remarks by Castro in Uruguay, where the Cuban leader confirmed the possibility of an economic opening.

Zaballa asserted: "The possibility of a change in Cuba sounds plausible and this favors and enhances cooperation and exchanges."

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The international cooperation under secretary called a news conference today at a press center near the Llao-Llao Hotel, where the Ibero-American heads of state and government will meet as of tomorrow during the fifth summit in this Rio Negro Province city.

Government To Promote Debate

PY1310192195 Madrid EFE in Spanish 0024 GMT 13 Oct 95

[FBIS Translated Text] Buenos Aires, 12 Oct (EFE) — Foreign Minister Guido Di Tella announced today that Argentina will promote debate on Cuba's economic and political situation at the Fifth Ibero-American Summit of Heads of State and Government, to be held in Bariloche.

"We will apply pressure to have Cuba make advances, relative to its current fossilized position, on such topics as markets, human rights, and politics, because we are now observing movement," the foreign minister said.

Di Tella said that "after the lukewarm movements that the Cuban market economy has registered, it is being favored today, and this is why we understand that we must apply pressure to make advances regarding that topic."

In this respect, he maintained that "it is a foregone conclusion that the Cuban problem is going to be debated in every aspect."

At the beginning of September, Argentine President Carlos Menem indicated that he would bring up "the topic of Cuba's democratization" with Cuban President Fidel Castro at the Bariloche summit.

Support for Declaration on Embargo

PY1310224295 Buenos Aires TELAM in Spanish 2112 GMT 13 Oct 95

[FBIS Translated Text] Bariloche, 13 Oct (TELAM) — A high-ranking Foreign Ministry source said today that Argentina will support an Ibero-American summit declaration calling on the United States to lift the embargo against Cuba. The source added that the country will simultaneously demand that concrete steps be taken to democratize the Caribbean island.

Argentina "will support the proposal because we think the embargo does not serve any purpose and that dialogue is better than isolation for Cuba's democratization and respect for human rights," the source said.

The possibility of supporting a summit declaration against the embargo was also admitted by President Carlos Menem during a conversation with a radio station today.

"It is an alternative, we are discussing the issue, and it is possible that we will adopt that position, although we have to talk about it at the summit," Menem said.

The president said: "The way things are, it seems that the United States will be left alone with the issue of the embargo, because Mexico is investing in Cuba and it is part of NAFTA. "

The source said "that the proposal seems to be sponsored by Spain, which has close cultural links and fluid trade and financial relations with the island."

"The initiative could be endorsed by Mexico, which also has strong investments in Cuba," the source added.

"All discussions will have an open agenda and the heads of state are free to introduce the topics they consider more important. Therefore, it is possible that the Cuban issue will be present," the source said.

The source recalled that on 23 May, Argentina supported that position "in the Rio Group foreign ministers meeting that was attended by Foreign Minister Guido Di Tella."

"We are being consistent. We will continue supporting an end to the embargo and will continue to favor Cuba's democratization," the source said.

Government Criticizes Hezbollah Opposition to Peace

PY1410030995 Buenos Aires TELAM in Spanish 2313 GMT 13 Oct 95

[FBIS Translated Text] Buenos Aires, 13 Oct (TELAM) — The Argentine Government today issued a communique criticizing Hezbollah's opposition to the peace agreements between Israel and the Palestinians, and the methods of "indiscriminate violence" used by the armed branch of this organization.

The official statement says that "Hezbollah's support for illegal actions has led several intelligence services to accuse this organization of involvement in the frequent attacks that have occurred in various places around the world, and especially in our own territory."

The communique adds that "in view of such charges, Argentina will continue to demand effective support from the international community, and will continue to investigate those infamous terrorist actions through executive and judicial branch actions, until those who are responsible are identified and punished."

The document was read this afternoon at Government House by Interior Minister Carlos Corach, in a ceremony that was also attended by Foreign Minister Guido Di Tella, SIDE [Secretariat for State Intelligence] head

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Hugo Anzorregui, and DAIA [Delegation of Argentine-Jewish Associations] President Ruben Beraja.

The statement adds that Hezbollah is "a multifaceted organization," noting that as far as "religious factors" are concerned, the Argentine Government, "faithful to the freedom of conscience and creed that is guaranteed by the Constitution, respects all ideas."

However, "it has major discrepancies as far as political factors are concerned, because this organization opposes the peace process in the Middle East and does not accept the existence of the state of Israel, a country that is a friend of Argentina's, with which excellent relations are maintained."

The communique remarks that Argentina "has criticized and strongly criticizes the use of indiscriminate violence that the armed branch of this organization has promoted for fulfillment of its objectives."

"The Argentine Government is firmly committed to clarifying the most serious terrorist attacks it has ever suffered, against the Israeli Embassy and the AMIA [Argentine-Israeli Mutual Association] building," the communique says.

The communique then refers to the "major efforts" that both the government and the courts have made "both at home and abroad to identify those responsible and to condemn terrorism as a threat to peace."

Argentina "has made, at the United Nations and at the OAS, concrete proposals to prevent and eradicate this scourge through specific, practical measures designed to exchange information on terrorist organizations and actions," the communique adds.

It also emphasizes the firm devotion with which Argentina has tried "to strengthen international law and international rules, for the purpose of promoting legal, police, and intelligence cooperation, and practical measures dealing with security in border areas and in transportation, migration, and counterterrorism training."

The communique says that "in August, Argentina called for a consultative meeting at which the above issues were discussed, and at which a plan of action with concrete proposals was designed."

"Within this framework, several national and international circles have identified Hezbollah as a possible instigator or responsible factor for the attacks staged in our country," the communique concludes.

DAIA President Ruben Beraja expressed his satisfaction over the contents of the communique, which we "take as a categorical and clear government position, which reflects the balance that all states should maintain."

"The important thing is the letter and the spirit, and I personally insist that, in addition to all this, other factors in the trial (for the attack on the AMIA building) can be mentioned, all of them revealing a set of commitments with everything having to do with fundamentalism," he added.

In response to a journalist question, Foreign Minister Di Tella admitted that in the investigation in the Iran case "there were many problems and doubts, which made us decrease the level of our diplomatic relations."

"This is a signal of our opinion on our relations," he added.

He admitted, however, that "we have not reached a conclusion, we have not discontinued relations," although actual ties "are not normal, because there are clouds and doubts that have not been clarified at all."

He added that "Syria and Lebanon, as governments, are doing the same, that is, there is no tangible evidence that Iran is fully supporting and defending Hezbollah."

Antinarcotics Official: Congressmen Abuse Drugs

PY1410205695 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1051 GMT 13 Oct 95

[FBIS Translated Excerpt] Buenos Aires, 13 Oct (NA) — Alberto Lestelle, the secretary for the prevention of drug abuse and for the antinarcotics struggle, now is between the devil and the deep blue sea after the dissemination of a covert recording of one of his lectures, noting that some deputies are abusing drugs. Lestelle's remarks elicited an explosive reaction among congressmen.

Lestelle's remarks, recorded during a lecture at the Italian Society of Mutual Aid of Belgrano District a few days ago, caused a great stir in Congress. Congressmen required him to elaborate on this issue.

A few minutes after Lestelle's remarks were made public, the various congressional blocs requested his presence to supply the names of the lawmakers allegedly involved.

Jorge Matzkin, the Justicialist Party [PJ] bloc leader in the Chamber of Deputies, sent a telegram to Lestelle, requesting the names of the lawmakers allegedly involved. Matzkin described as "hasty" the remarks made by Lestelle. [passage omitted]

Lestelle, who is now in Cuba, lectured at the Italian Society of Mutual Aid of Belgrano District, and an unidentified person recorded it and subsequently gave it to a radio station.

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The remarks disseminated on 12 October place the secretary for the prevention of drug abuse and for the antinarcotics struggle in an extremely delicate situation, as it did not take long for the congressmen, including PJ members, who spearheaded the objections to react. [passage omitted]

In the recording, Lestelle allegedly notes: "There are lawmakers who are half asleep in their seats and suddenly explode like a bomb, delivering a superb speech. They surely went to the restroom first to use...cocaine." [passage omitted]

Brazil

Reporting on U.S. First Lady's Visit To Brazil

Visit Engenders 'Great Expectations'

PY1510014795 Madrid EFE in Spanish 2018 GMT 13 Oct 95

[FBIS Translated Text] Rio de Janeiro, 13 Oct (EFE) — The state visit that the U.S. first lady, Hillary Rodham Clinton, is to make to Brazil on 14 October gave rise to great expectations in that country. The first lady will enter into contact with child support organizations and will meet with a group of congresswomen.

U.S. President Bill Clinton's wife will stay in Brazil for 36 hours, although she will have enough time to visit Brasilia and Salvador, Bahia State. On the morning of 16 October, the first lady is due to travel to Asuncion, Paraguay, where she will participate in a meeting of first ladies of the Americas.

The Brazilian press expressed the opinion that Hillary Clinton's visit is more important than that of the Spanish head of government, Felipe Gonzalez; of PLO President Yasir 'Arafat; or of Ukrainian President Leonid Kutchma.

The U.S. first lady's flight will arrive from Santiago, Chile, at the military base in Brasilia. She will subsequently meet with the Brazilian first lady, Ruth Cardoso, and other women leaders from the Community in Solidarity Program.

On 15 October, Mrs. Clinton will visit the Axe project in Salvador, Bahia, a foundation for waifs and strays which requested aid from the U.S. Government.

The first lady will also learn about the "Cidade Mae" Project, another charitable foundation for neglected children. She is scheduled to have lunch with a group of Brazilian congresswomen, including the Socialists Benedita da Silva and Martha Suplicy.

Hillary Clinton's state visit to Brazil is part of a tour of four Latin American countries to promote eradication of poverty, education for women, and protection of children and minors.

The previous legs of the first lady's tour were Nicaragua and Chile. Brazil will be the third leg of her tour, which will conclude in Paraguay with the delivery of a speech at the summit meeting of first ladies of the Americas, which is to be held in Asuncion.

Arrival in Brasilia Noted

PY1510013295 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 14 Oct 95

[Report by Marcelo Canelas in Brasilia]

[FBIS Translated Text] Hillary Clinton, the U.S. first lady, arrived in Brazil late this afternoon. Before traveling to Salvador, she spent less than four hours in Brasilia.

Hillary Clinton arrived at the Brasilia airport at 1730 today. The U.S. ambassador to Brazil, his wife, and the wife of the Brazilian ambassador to the United States, Lucia Flecha de Lima, met the U.S. first lady with a bunch of flowers. The Federal Police and FBI security personnel escorted the official entourage to Alvorada Palace. Hillary Clinton signed the guest book.

Afterward, she met Ruth Cardoso [the wife of President Fernando Henrique Cardoso] in the Alvorada Palace library and had tea with other guests. President Fernando Henrique Cardoso and Ruth Cardoso held a 30-minute talk with the U.S. first lady.

During the tea held by Ruth Cardoso, Hillary Clinton wanted to gain information on the status of women's rights in Brazil. Ruth Cardoso supplied a report and said the situation of Brazilian women has improved significantly over the past 10 years.

Senator Marina Silva from the PT [Workers Party] of Acre State talked about the problems that women in the Amazon region are encountering with regard to studying, and attending school.

Hillary Clinton has already left Alvorada Palace for the U.S. Embassy in Brasilia. She must still decide whether she will go to Salvador tonight or tomorrow morning; her purpose in going there is to obtain information on assistance projects for protecting minors and low-income women.

Hillary Clinton's 15 October schedule in Salvador includes visits to the Axe and Cidade Mae projects for assisting the children who wander the streets of Salvador. At the Meridien Hotel, where she will stay, Hillary Clinton will have lunch with Senator Emilia Fernandes (PDT-RS) [Democratic Labor Party-Rio Grande do

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Sul State], Senator Benedita da Silva (PT-SP) [Workers Party-Sao Paulo State], singer Daniela Mercury, writer Zelia Gattai, the wife of writer Jorge Amado, and Isabel Carolina Souto, the wife of the governor of Bahia. The Afro-Brazilian group Olodun will perform for Hillary Clinton in the afternoon.

The U.S. first lady has also been scheduled to visit the Tysla Balbino maternity hospital for Salvador's low-income people.

Two-Day Visit: Activities

PA1510132795 Madrid EFE in Spanish 1111 GMT 15 Oct 95

[FBIS Translated Text] Brasilia, 15 Oct (EFE) — U.S. First Lady Hillary Clinton, who last night initiated a 36-hour visit to Brazil as part of her tour of four South American countries, said the living conditions of Brazilian women have significantly improved in the last 10 years.

The improvement in the living conditions of Brazilian women was the main topic discussed by Bill Clinton's wife during her meeting with Brazilian First Lady Ruth Cardoso.

She also met with a group of political leaders in charge of the Solidarity Community Program, led by Ruth and that is in charge of the government's social assistance policy.

During the meeting, Hillary was told that Brazilian women made progress in their social conditions since the creation of the National Council of Womens Rights 10 years ago.

Among the progress made was that women now make up 50 percent of those attending educational centers; they have become heads of families in 30 percent of the homes and for the past month they have had the right to participate in municipal elections under the same conditions as men.

Hillary said she was able to note the difference when comparing the report submitted by her hosts last night with the one Roselyn Carter, wife of former U.S. President Jimmy Carter, drafted 10 years ago.

She also said that before making her trip, she studied the report drafted by Mrs. Carter, the last U.S. first lady to come to Brazil on an official visit and that is why she was able to note the differences.

A well-known advocate for womens rights, Hillary said when she announced her tour of Latin America, that her goal was to promote the eradication of poverty, the protection of children, and, especially, women's education.

That is why the White House said the first lady had been chosen as a "spokesperson" of the U.S. Government's commitment to cooperate with Latin American countries in matters of education and health and Washington's "special ambassador" to Latin America in the topic of women.

The topic of women was constantly discussed in the meetings Hillary held in Nicaragua and Chile, the countries she visited before coming to Brazil, where she met with officials, deputies, and activists.

Those attending the meeting with Hillary in Brasilia were, in addition to Ruth Cardoso, socialist senator Marina Silva; Rosiska Darci de Oliveira, president of the National Council for Women's Rights; and feminist leader Teresa Caldeira, professor at the University of Campinas.

To discuss the situation of Brazilian women's rights in the city of Salvador de Bahia tomorrow, Hillary will meet with socialist deputies Emilia Fernandes, Benedita da Silva and Martha Suplicy, as well as with writer Zelia Gattai, wife of famous Brazilian writer Jorge... [item incomplete as received]

Meets With Street Children

PY1510224795 Sao Paulo AGENCIA ESTADO in Portuguese 1850 GMT 15 Oct 95

[Report by Biaggio Talento]

[FBIS Translated Text] Salvador, 15 Oct (AE) — U.S. First Lady Hillary Clinton was moved this morning by a circus show put on by street boys and girls supported by the Axe [term referring to Savadoran religious ritual] Project. Mrs. Clinton said she was "proud" of the performance staged by the young entertainers. After listening to the stories of several poor children who, abused by their parents, roamed the streets of Salvador, she said: "I hope you and your parents are also proud of your work." Gil Lopes, a 15-year-old street boy, said that, had it not been for the Axe Project, he would now be either in prison or dead.

Guarded by a reasonable, although not a tight security cordon, Mrs. Clinton arrived at 1035 at the Picolino Circus, which is located on the Praia da Boca do Rio Beach. She was wearing an elegant beige blouse with matching slacks. Smiling, she was welcomed with a beating of drums by the Axe band. The U.S. Government chose the Axe Project for the First Lady to learn about an internationally recognized effort to promote the social rehabilitation of abandoned children.

Mrs. Clinton sat in the audience beside Cesar de la Rocca, the Axe Project coordinator, and street children.

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Other guests attending the show were singer Daniela Mercury; the UNICEF ambassador; Viviane Senna, a sister of late Formula One driver Ayrton Senna and chairperson of the Ayrton Senna Foundation; and Lucia Flecha de Lima, the wife of the Brazilian ambassador to the United States. A troupe of 36 young entertainers put on a one-hour show of trapeze, balancing, juggling, contortionism, and capoeira and other dances.

There was also a fashion show of "Modaxe" garments, a performance by the drum band — described as the "Axe Band" by the translator — and a balancing act on a ladder by two boys carrying the Brazilian and U.S. flags as John Lennon's "Imagine" was playing in the background.

Despite being extremely hot at this time of year in Bahia, a situation that was compounded by the circus tent, Mrs. Clinton watched the show with interest, applauded, and followed the rhythm of the Bahian songs played during the show. After the show, she expressed interest in learning details about the lives of the children. She asked if they had friends who are still on the streets and why they have not yet joined the project.

A girl said she had friends whose parents would not let them go to the Axe offices because they believe "there are criminals and marijuana dealers within the Axe Project." The U.S. First Lady asked: "Has the Axe Project helped you improve your relations with your families?" Gil Lopes answered: "Had it not been for the Axe Project, I would have certainly not been able to see my parents again."

Mrs. Clinton thanked and congratulated the people involved in the Axe Project. She said: "Of the many homeless children existing in the world, few have the luck of being protected by a project like this." Finally, she received a red rose and two "Modaxe" blouses from the children and promised to give them to her daughter.

From the Piccolino Circus, Mrs. Clinton went to the site of the Cidade-Mae Program, which is sponsored by the city government of Salvador. This program assists children within the seven- to 16-year-old age bracket. Later, she is scheduled to lunch with Brazilian women leaders at the Meridien Hotel and tonight, she will visit the Pelourinho District. On 16 October, Mrs. Clinton will visit the Family Planning and Women's Health Program implemented at the Tsila Balbino Maternity, with the support of the U.S. Agency for International Development.

Favors Aid to Third World Countries

PY1510235995 Sao Paulo AGENCIA ESTADO in Portuguese 2132 GMT 15 Oct 95

[Report by Biaggio Talento]

[FBIS Translated Text] Salvador, 15 Oct (AE) — U.S. First Lady Hillary Clinton today supported, in Bahia, the maintenance of U.S. Government aid programs to Third World countries. She made remarks during a visit to the "Cidade Mae" Program sponsored by the city of Salvador, which is designed to help poor young people. Mrs. Clinton said that during the past 50 years the United States gave "the tools" to countries like Brazil, Mongolia, and Nicaragua to set up liberal democracies and to make efforts to resolve their problems.

Mrs. Clinton said President Bill Clinton is always concerned about helping poor countries overcome their difficulties and achieve political and economic stability. Referring to the American people, she said: "We now need to improve our social programs to train people who are capable of entering a competitive market."

Mrs. Clinton cited as an example the work performed by Salvador Mayor Lidice da Mata (Brazilian Social Democracy Party) under the Cidade Mae Program. She visited the offices of the Cidade Mae Program located in the Pau de Lima District and addressed several questions to students taking trade courses. She jokingly promised one student who was learning how to repair household appliances that she would send him some broken appliances from the White House so that he can repair them. She donated two 486 Computers to the Cidade Mae Project.

Later, Mrs. Clinton and her entourage went to the Meridien Hotel, where she had lunch with Brazilian personalities, including Senator Benedita da Silva (PT-RJ) [Workers Party-Rio de Janeiro] and Deputy Marta Suplicy [PT-Sao Paulo], writer Zelia Gattai, singer Daniela Mercury; and Isabel Souto, wife of the governor of Bahia.

'Controversial Issues' Avoided

PY1610025295 Sao Paulo AGENCIA ESTADO in Portuguese 0042 GMT 16 Oct 95

[Report by Isabel Braga]

[FBIS Translated Text] Brasilia, 15 Oct (AE) — U.S. First Lady Hillary Clinton has described her visit to Brazil as just an appetizer. "This has been a very short visit. I would like to make another one, which would be like the main course," she said to President Fernando Henrique Cardoso and to Brazilian First Lady Ruth Cardoso. Mrs. Clinton, who arrived at the Brasilia air

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base at 1730 on 14 October, was already departing for Salvador, Bahia, at 2130 on the same day. On the second leg of her visit today, she kept a basically social-oriented agenda in Bahia.

Upon her arrival in Alvorada Palace at 1802, Mrs. Clinton was met by Mrs. Cardoso, who presented her with a book written by Margareth Mee, a British painter who lived in the Amazon region. Later, Mrs. Clinton signed the book of visitors, toured some areas of the palace, and met with other guests in the library of the official residence of the Brazilian president.

The conversation centered on human rights, primarily those of women and children. Mrs. Cardoso said the situation has improved in the last 10 years and Rosiska Darci de Oliveira, chairperson of the National Council for Women's Rights, noted the creation of police precincts for handling crimes affecting women and of movements to promote solidarity with women. Mrs. Clinton noted that the women's movement in the United States is more elitist and that it uses a more difficult language.

The Brazilian couple then offered tea to their guests. Black tea, orange juice, cookies, snacks, and cheese bread were served. Mrs. Clinton conveyed some messages from U.S. President Bill Clinton, such as his praise for Brazil's mediation in the Ecuadoran-Peruvian conflict.

According to presidential spokesman Sergio Amaral, the conversation was always held in a cordial tone. Yet, according to some of those present, Mrs. Clinton avoided touching on any controversial issues. President Cardoso noted the similarities existing between Brazil and the United States, such as size, ethnic diversity, the need to constantly negotiate with Congress, and the role played by an active, critical press.

Cardoso said: "I would rather have a critical press, because if it were passive it would give us the impression that we hold more power than we actually do." After tea, Mrs. Clinton made a quick visit to the U.S. Embassy before returning to the Brasilia air base. She is scheduled to stay in Salvador until tomorrow morning, when she will be departing for Asuncion, Paraguay, to attend a meeting of first ladies of the Americas.

Commentary on Nontraditional First Ladies

PY1510231795 Rio de Janeiro JORNAL DO BRASIL in Portuguese 15 Oct 95 p 25

[Unattributed commentary: "Two Unusual First Ladies"]

[FBIS Translated Text] Hillary Clinton and Ruth Cardoso have much more in common than just being the first ladies of their respective countries. To start with, they both rejected the role that was traditionally expected from the wives of the presidents of Brazil and the United States; that is, that of kind spouses undertaking charity programs. Neither Mrs. Clinton nor Mrs. Cardoso would do that.

During a meeting of the Independent Commission on Population and Standard of Living held in Sintra, Portugal, in February, Mrs. Cardoso, who is an anthropologist, said: "Neither first lady, nor lady. I hate those names. I am the president's wife." Mrs. Clinton would perfectly endorse the above statement. They both refused to comply with the protocol role assigned to the president's wife. Mrs. Cardoso, for instance, broke away from a long tradition by declining, early in her husband's administration, to become the chairperson of the Brazilian Welfare Legion. Mrs. Clinton did not want any honorary posts either.

They are both successful professionals who made concessions regarding their careers to follow their husbands. Mrs. Clinton, who has a law degree from Yale University, is listed by the NATIONAL LAW JOURNAL among the 100 best attorneys in the United States. She gave up a $160,000 annual salary (four times what her husband was making) to accompany Bill Clinton in his office as President of the United States. Mrs. Cardoso is a graduate from the University of Sao Paulo. She is trying to reconcile her work as an anthropologist with her role as Fernando Henrique Cardoso's wife. She set up an office at Alvarada Palace, where she is continuing her research and studies to obtain a doctor's degree.

Mrs. Clinton also has an office at the White House. Her independent attitude caused her to be widely criticized by conservative groups. Americans are amused by jokes about their extremely busy first lady. President Clinton himself made a joke about her. During his campaign, he several times told the American people they would be getting two for the price of one if they voted for him. He was right.

Mrs. Clinton tirelessly fought for the U.S. health system reform to make it serve the interests of the poor people. Mrs. Cardoso is the honorary chairperson of Community in Solidarity, which is a government program designed to fight poverty. At the UN Women's Conference held in Beijing in September, Mrs. Cardoso supported the most progressive proposals regarding women's rights.

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Planning Minister Discards Car-Import Quotas in 1996

PY1310144095 Sao Paulo GAZETA MERCANTIL in Portuguese 10 Oct 95 p A5

[Article by Maria Helena Tachinardi]

[FBIS Translated Text] On 9 October, Planning Minister Jose Serra discarded the possible adoption of car-import quotas in 1996 because the WTO repudiated the measure — which is deemed protectionist — and recommended that it be suspended.

The government's decision to abandon the quotas will be officially announced by the economic area ministers. In the next few days they will hold a special meeting with the Foreign Trade Chamber to evaluate the provisional measure [PM] on the adoption of said quotas. This PM established the quotas in June and a policy for the development of the Brazilian car-manufacturing industry. It has been reissued with modifications. The PM must be regulated before December in order to go into force in 1996.

The ministers must find a new way to prevent a possible flood of imported cars next year because the idea of adopting quotas and changing the schedule for the reduction of import taxes have already been discarded. Frederico Alvares, executive secretary of the Industry, Commerce, and Tourism Ministry [MICT], announced that the tax will drop from the current 70 percent in January to 62 percent in March and then to 30 percent from April to December. From then on, it will go down 2 percent per year until 2000, when it will reach the level of 20 percent, which is the level established for the Common External Tariff of the Common Market of the South.

Alvares said the government may consider a possible alternative proposed by the Brazilian Association of Automotive Vehicle-Importing Companies (Abeiva) to limit car import voluntarily. The car-importing market would be divided among the 32 manufacturers who are members of Abeiva, without using auctions to grant quotas.

Minister Serra told GAZETA MERCANTIL reporter Rodrigo Mesquita that when the PM was drafted, the quotas were only a detail and the most important thing was to institute an automotive regime. The minister believes international car-manufacturers have announced plans to invest in Brazil as a result of the special fiscal incentives defined by in the PM — such as accelerated devaluation of capital goods, reduction of import taxes on machinery and equipment, and linking imports to the performance of exports.

The government still does not know how it will regulate these incentives which, although not having been explicitly criticized in the text of the WTO Committee of Payments Balance, are not very acceptable to Brazilian partners within the framework of that entity. One way or another, the government has already told the WTO that the investment measures contemplated in PM 1024 are not in force. These measures depend on regulations, and their enforcement period will not go beyond 30 December 1999.

Alvares said that is spite of all the confusion, the quotas have been harmless. The limit of 150,000 vehicles established for the period July to December 1995 is far from being reached. From 13 June, when the PM was issued, until August, 55,250 cars have been imported and 50,000 more are waiting at national ports. The MICT statistics indicate that the quota is 45,000 cars short. Between January and June the number of imported cars was high: 299,000. Dorothea Werneck, industry, commerce, and tourism minister, said it is unlikely that Brazil will import another 450,000 cars this year.

Minister Serra said on 9 October that the government did not implement the quotas system for three reasons: the drop in imported cars demand due to increased interest rates, the suspension of financing lines for vehicle imports, and the increase in import taxes to 70 percent.

The MICT executive secretary said that no country can claim having lost out over the implementation of quotas. He added: "The cars have not been sold due to a drop in demand." The WTO Council of Assets, which is the most powerful WTO organ, will meet in November to countersign the document of the Payment Balance Committee requesting that Brazil suspend the quotas system.

Cardoso Calls Upon Entrepreneurs To Invest in Vietnam

PY1310210295 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Oct 95 Section 1 p 12

[FBIS Translated Text] During a dinner in honor of Vietnamese President Le Duc Ahn on the evening of 10 October, President Fernando Henrique Cardoso called upon Brazilian entrepreneurs to invest in Vietnam.

The only operation in which Brazil is currently engaged in that country is the purchasing of Vietnamese products, mainly rice.

The Vietnamese were frustrated because they could not see Extraordinary Minister for Sports Edson Arantes do

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Nascimento, Pele. He was invited to the dinner but did not show up.

Cardoso announced that he will promote Brazilian relations with Asia. He will visit China and Malaysia in December, India in January, and Japan in March. He said he will visit Vietnam as soon as he can.

Privatization Not To Change After BNDES President Resignation

PY1510190195 Sao Paulo GAZETA MERCANTIL in Portuguese 11 Oct 95 Pp A1, A3

[Article by Cesar Felicio in Brasilia]

[FBIS Translated Excerpt] Economist Luiz Carlos Mendonca de Barros, former Central Bank director and Matrix Bank shareholder, will be installed as president of the National Bank for Economic and Social Development (BNDES). He will replace Edmar Bacha, who submitted his resignation on 10 October. Planning Minister Jose Serra accompanied Bacha during the interview he granted at Planalto Palace early on the evening of 10 October to announce his resignation. Serra emphatically denied that the appointment of someone linked to the financial system might cause the government any embarrassment.

Bacha, who leaves the government for "personal reasons," will head the BNDES until the end of October. This is time enough for Mendonca de Barros to free himself from his obligations in the private area. The new BNDES president is Economic Policy Secretary Jose Roberto Mendonca de Barros' brother and a friend of Minister Serra and President Fernando Henrique Cardoso himself. He is also the godfather of one of Communications Minister Sergio Motta's children. Luiz Carlos Mendonca de Barros is a Matrix Bank shareholder. This bank belongs to Andre Lara Resende, who was foreign debt negotiator during Itamar Franco's administration and one of the Real Plan formulators.

Serra said: "This decision was made by the administration. Mendonca de Barros is an expert in financial engineering and will be a crucial element now that the government is combining privatization with the franchising of public services seeking to reconstruct the infrastructure of Brazil." [passage omitted]

At the moment of officially announcing his decision, Bacha's voice trembled. He denied having been pressured by the congressmen who support the government, who complain about the slowness of the privatization process. He said these congressmen were not the cause of his resignation. Minister Serra swiftly asserted that "other members of the BNDES board remain in their positions." He said: "The privatization process will continue to rigorously follow the same path."

The planning minister emphatically stressed: "There is no connection between Bacha's resignation and the privatization process. None at all, absolutely none at all." Serra cut short the interview saying: "This is not an interview on the privatization process — merely to report Bacha's decision." He thus interrupted Bacha as he was about to answer if he thought criticism of the privatization program was a problem for the administration. [passage omitted]

Bacha added that his last duty as BNDES president was to receive, on 10 October, the proposals of the international consultants who will evaluate the Rio Doce Valley Company and establish its privatization price. Bacha said: "It will be our great challenge for the next two years."

With Bacha's resignation, the team that drafted the Real Plan is reduced, in this administration, to Finance Minister Pedro Malan and Gustavo Franco, director of the foreign affairs department of the Central Bank.

More Peacemaking Troops Leave For Angola

PY1410011495 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 13 Oct 95

[FBIS Translated Text] Brazil today sent 156 troops to Africa. They will be integrated with the UN forces in Angola.

Currently, 230 members of the Brazilian Army, Navy, and Aeronautics are in Angola. They arrived there in September. By the end of October, the Brazilian contingent in the UN peacemaking mission will total approximately 1,100 men. This will be the largest contingent sent out of the country since World War II.

According to the schedule of the Armed Forces General Staff for troop embarkation, on 24 October 152 more troops will leave for Africa from Recife, Pernambuco State.

Unequal Treatment of Developing Countries by WTO, IMF Noted

PY1310204795 Sao Paulo GAZETA MERCANTIL in Portuguese 10 Oct 95 p A4

[Editorial: "Unequal Treatment in Decisions"]

[FBIS Translated Text] Repudiation by the WTO of the car import quotas system, which the Brazilian Government was to implement in 1996 in view of the serious problems in the January to June trade balance, came as no real surprise. This system is to be implemented in addition to the 70 percent tax already

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levied on this type of operation. As is now obvious, the decrease in domestic demand has reduced car imports more than the heavy tax levied on them. From the international economic relations viewpoint, the WTO decision has brought two issues to the fore: one is the validity of the argument used by the Brazilian Government that trade balance problems justify the adoption of quantitative restrictions on imports. The other is the way international institutions differentiate between developed and developing countries in this and several other case.

We believe, as we have often stated in this column, that the establishment of car import quotas — although temporary — may be, and indeed has been, interpreted by Brazil's trade partners as an internal reaction to the process of market opening in which the country is engaged. It is seen as a dangerous prerogative which may become generalized because various areas of industry are resenting more intense foreign competition.

The trade balance situation is not as critical as it was a few months ago. Thanks to record foreign investments in the financial market, the Brazilian balance of payments may close the year with a surplus, thus increasing the reserves which, at the beginning of September, totalled $45.8 billion (in cash) [conceito de caixa] — the highest level ever. This does not mean there are no problems. The cash account deficit (trade and services accounts) will stand at $16 billion or $17 billion. This is equivalent to about 3.5 percent of the GDP. This is not alarming, but it considerably surpasses the level established by the government.

Under these conditions, and at the risk of depending too much on foreign investment, it is natural for the government to try to protect the economy by looking for a point of equilibrium, at least regarding the trade balance. Other developing countries supported the position adopted by Brazil at the WTO. The idea that prevailed, however, was that quantitative restrictions on imports are not, or should not be, the best way to deal with this sort of problem.

This attitude, which at first may seem an obstacle to developing countries, can function in their favor in the future, if they are willing to correctly use this position, which can be considered an opening of the market. As is well-known, many industrialized countries have adopted the quota system, not because they have problems in the payment balance but as a way to protect their markets against what they think is unfair competition that affects weak or ineffective areas of their industries or agriculture. Obviously, if developing countries are not allowed use the quota system and are liable to sanctions if they do, the same principle should apply to developed countries.

Resistance to ending these inconsistencies is very powerful but we must begin to face them courageously at international forums, just as Finance Minister Pedro Malan did in his speech to the IMF Acting Committee. Malan supported the idea of creating a safeguard system to defend developing countries in case of sudden capital flight. He praised the role of the IMF in the Mexican crisis, although he reiterated old complaints of developing nations, which resent their inability to influence decisions that will affect them directly. Malan said there is a flagrant imbalance between the way the IMF treats industrialized countries and the way it treats less developed ones, often subjecting the latter to harsh stabilization programs and to close monitoring of their economies.

This type of monitoring is necessary, but it seems odd that in complying with the principles of certain international organizations, less developed countries are sometimes forced to resort to methods that are repudiated by other countries, such as quantitative restrictions on imports.

Roundup of Economic Reports

PY1410010895

[FBIS Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 13 October. **FINANCIAL OPERATIONS**

The net assets of the 348 new Financial Investment Funds — FIF — on 3 October stood at 25.863 billion reals [R], while on 14 September there were only 28 FIF's with assets worth R136.8 million. The funds offering investments of 60 days or longer account for a R23.2 billion of the total FIF investment. The Central Bank reported that on 3 October, the net assets of commodity funds stood at R16.235 billion, while those of fixed profit funds stood at R7.93 billion and those of short-term fixed profit funds stood at R4.785 billion. Commodity funds will be eliminated at the end of December 1995. (Sao Paulo GAZETA MERCANTIL in Portuguese 11 Oct 95 Special Section p 2) **PRIVATIZATION**

Peter Greiner, Secretary of Energy of the Mines and Energy Ministry, on 10 October informed GAZETA MERCANTIL that privatization of the four large state-owned energy enterprises will be made in the second half of 1996. Greiner said that the consulting enterprise needs this period to complete the studies on the enterprises. The four enterprises are Eletrosul, Southern Electric Power Plants; Eletronorte, Northern Brazilian Electric Power Plants, Inc.; Furnas, Furnas Electric

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Power Plants, Inc.; and Chesf. Sao Francisco Hydroelectric Company. Greiner said the Mines and Energy Ministry is still studying the method for contracting the consulting firm, which — he added — will necessarily have to form partnerships with Brazilian enterprises in order to do the job. (Sao Paulo GAZETA MERCANTIL 11-12 October 95 p B5) **TRADE ISSUES**

The Ministry of Industry, Commerce, and Tourism has created a department for fighting dumping practices of foreign products that harm Brazilian-made products. This information has been released by Armando de Mello Meziat, director of the ministry's Foreign Trade Secretariat. The new department, which has 45 officials, is subordinated to Mello Meziat. One of the first cases that the department will investigate involves Chinese-made soccer balls, which are sold to Brazil a $4 each. (Sao Paulo AGENCIA ESTADO in Portuguese 2053 GMT 11 Oct 95)

The Brazilian Coffee Exporters Federation — Febec — on 11 October reported that Brazil has failed to comply with the export reduction agreement. In the July-September quarter, Brazil sold 3,346,000 bags, 346,000 above the 3,000,000-bag limit provided for by the agreement endorsed by the Coffe Producing Countries Association. Febec president Oswaldo Aranha Neto blamed the failure to comply with the agreement on the operations by 36 enterprises, which refused to join the Brazilian Coffee Program. Febec reported that coffee exports yielded $193.8 million in September, an that so far in 1995, accumulated coffee exports stand at $1.571 billion, a figure that is 26 percent higher than the amount for the same period in 1994. In September, the average price per bag was of $151.74, compared to $208.15 in September 1994. (Sao Paulo AGENCIA ESTADO in Portuguese 2022 GMT 11 Oct 95)

GAZETA MERCANTIL To Enter Internet in Dec

PY1410021095 Sao Paulo GAZETA MERCANTIL in Portuguese 10 Oct 95 p A1

[Article by Marinete Veloso in Sao Paulo]

[FBIS Translated Text] GAZETA MERCANTIL will start, in December, a daily news service on economy and businesses, both in English and in Portuguese, to assist foreign investors. The service will be disseminated abroad electronically (computer or fax), and can be accessed through Internet.

Initially, it will consist of three or four daily bulletins with news of the same day, which will only be published by the newspapers the following day. The service will also offer a summary of the news published in that day's issue of GAZETA MERCANTIL.

News that will be disseminated by Internet through the new service, called Gazeta Mercantil On Line, will be prepared by the InvestNews system. This is an electronic system of current news, as well as economic indexes and rates, which was created by the enterprise in 1992.

Luiz Fernando Ferreira Levy, director president of the enterprise, said: "GAZETA MERCANTIL is a real information-transmitting plant." According to him, GAZETA MERCANTIL is the most powerful and agile machinery to disseminate economic information in the country. By entering Internet, the enterprise consolidates its position in the market as a multimedia communications enterprise.

The new service will be sponsored by the Icatu Bank, which wants to place at the disposal of its clients abroad an extensive line of services through the Icatu On Line service, also via Internet. In a phone interview to this newspaper from his office in New York, Alden Brewster, president of Icatu On Line, said: "We want to add differentiated and high-quality products to the service." Brewster added that the report on privatization of the Brazilian area of telephony has sped up the implementation of this project.

Henrique Alves de Araujo, president of Gazeta Mercantil Electronic Information, said the newscast on the Internet is not only institutional: "It is a way of rendering services that we have been requested to perform for some time."

Globosat To Begin All-News Cable Channel

PY1310020495 Sao Paulo GAZETA MERCANTIL in Portuguese 5 Oct 95 p A1

[Article by Lidia Reboucas in Sao Paulo]

[FBIS Translated Excerpt] Rede Globo Television and Globosat, the network's programming enterprise, are working together to establish a new Brazilian news channel for the cable television market. This channel will compete directly with the TVA channel of the Abril Group, which is negotiating the same type of programs with the Brazilian Television System (SBT) and the British REUTERS News Agency. [passage omitted]

Globosat Director General Alberto Pecegueiro estimates a $30-million investment will be required to fill the spaces the enterprise has been renting on the satellites Brasilsat B1, in which it has four transponders, and Intelsat 707, which will be launched in November. The associated partners, Globo and News Corporation, are the main Intelsat 707 leasees.

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Strategic Affairs Secretary on Importance, Details of Sivam

PY1510182595 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 13 Oct 95

[FBIS Translated Text] Within five years, the Amazon Region Surveillance System, Sivam, will have 17 units with radars that will cover the entire region. This area is equivalent to 60 percent of the Brazilian territory. The project will cost $1.4 billion.

Strategic Affairs Secretary Ronaldo Sardenberg today commented on the importance of Sivam's implementation:

[Begin Sardenberg recording] From the viewpoint of national security and of sovereignty over air space and air defense, this project is very important. It has a broader aspect, that of economic development and sustainable development, of environmental protection, of air traffic control, including civil air traffic control. Therefore, Sivam is a very important project that covers the entire Amazon Region. [end recording]

Sardenberg also said that President Fernando Henrique Cardoso is discussing congressional approaval of the Sivam project with the political leaders who support the government.

[Begin Sardenberg recording] I am committed to that. President Cardoso is also personally committed to this project. This is why he classified the project as one of national interest. The president is thus discussing the issue — with Senator Elcio Alvarez, for example — in order to obtain swift approval of this project. We believe that the Senate will be sensitive to this type of concern, which is, after all, not only a governmental concern. This project must be seen from the viewpoint of what it is worth for the entire region, what it is worth for the millions of Brazilians who live there, as well as for the environmental area. [end recording]

The Senate must approve, before November, the modifications made to the Sivam contract after the Esca company was excluded from it. The commercial contract with the firm Raytheon for the supply of goods and services expires on 27 November.

Editorial Praises Senate Idea of Annulling Sivam Contract

PY1210234495 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Oct 95 Section 1 p 5

[Editorial: "Magnifying Glass on Sivam"]

[FBIS Translated Text] The Senate's inclination to annul the Sivam [Amazon Region Surveillance System] project contract, that was signed by the Brazilian Government and the U.S. Raytheon, is more than welcome. There are many suspected irregularities in the project and there is the move to reevaluate Sivam very, very carefully.

Nobody doubts the importance of monitoring the Amazon Region airspace. What must to be considered, however, is if — in a country with so many social needs — it is necessary to spend the incredible sum of 1.4 billion reals [R] on this project. Experts say there are much cheaper alternatives which could be implemented using Brazilian technology, even though these are slightly less effective than those of the ambitious Aeronautics Ministry project.

The establishment of priorities is one of the main challenges of the hard art of governing. It is somewhat inconsistent for a supposedly social-democratic administration to spend R1.4 billion on an excessively pompous project, while health and education sectors are in chaos.

'Dirty Money' in Foreign Reserves Discussed

PY1310163495 Rio de Janeiro O GLOBO in Portuguese 8 Oct 95 p 62

[Article by Cecilia Costa and Rachel Bertol]

[FBIS Translated Text] There is dirty money in the Brazilian foreign reserves. This has been revealed by Central Bank [BC] experts. They are certain that, since the fluctuating dollar market absorbed the so-called parallel market, a large amount of illegal money has been laundered in the fluctuating exchange market. Thus, money laundering operations — which involve money resulting from drug trafficking, the numbers game, the informal accounting system of enterprises, kidnapping, and corruption — are legally registered at the BC. To put it another way, the Brazilian financial system and the BC are laundering dirty money.

The BC exchange market monitors detect irregularities every day in the fluctuating dollar exchange market, and open investigations to clarify these cases. They send an average of one investigation per day to Brasilia. So far, however, no bank has been stopped from operating for having conducted exchange operations with money of unknown origins or for not having supplied correct information on such operations. One expert estimates that seven out of every 10 analyzed operations have mistakes. These have to pay fines of 150 reals (in the United States they would have to pay $5,000 fines). Of these seven, four become technical cases. When the seriousness of the case is verified, an administrative investigation [processo administrativo — PA] is opened. Nearly 5 percent of these operations become PA's.

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Justice Minister Nelson Jobim is worried about money laundering in Brazil. He said it is obvious that Brazil has become attractive, even to drug trafficking, as a result of its economic stability. To detect this dirty money in bank accounts, courts are requesting a new sort of legislation to allow the suspension of bank secrecy in said accounts.

Minister Jobim does not admit, however, that illegal money is going through the Brazilian banking system. Nevertheless, he is certain that "it will enter" the system sometime and hopes that, by then, the country will be prepared to identify traffickers operating within the national financial system.

Asked if the money entered the system through the fluctuating dollar exchange market and through the accounts of nonresident depositors — known as CC5s — Jobim bluntly said: I am not talking about CC5s.

In the Narcotics Precinct in Brasilia, as well as at the BC, however, everyone is certain that dirty money is already in the Brazilian financial system. One police chief has said the internationalization of the system made it possible for illegal resources to legally circulate in international markets. The only problem is that in other countries the BC, the police, and the Federal Revenue work side by side, but in Brazil each organization works with its back turned on the others.

BC experts believe illegal resources enter and leave the country through the already notorious CC5's, which were established in 1969 and deregulated in 1989. Since Collor [former President Fernando Collor] and the ghost accounts of his aide PC [Paulo Cesar Farias], the administration began to demand extensive documentation whenever an operation surpassing $10,000 is involved. Nevertheless, the financial market that very quickly became used to operating freely has refused to cooperate with these rules and does not ask investors or enterprises for documentation on the origin of the money they are investing in the international market or sending to fiscal havens like the Bahamas, the Virgin Islands, the Cayman Islands, or Nassau. [as published]

Consequently and in real terms, the fluctuating exchange market and its channel to the international markets, the CC5's — many of which are accounts of residents (Brazilians) — has become an enormous parallel money market. Operations worth $40 billion are conducted in this market. In other words, it has become the "paralelao" [parallel exchange market] or a huge bearer fund which is absolutely legal.

As one high-ranking BC employee said: Well, this is what the government wanted. It wanted to absorb the parallel exchange market and transform it into currency, into reserves. The objective of bringing the parallel market to the BC has been achieved. The only problem is that for members of the BC the situation is uncomfortable. This account, the CC5's, is inside our system. We would rather have it out there, in the banks, and without any relation to us. He thus expressed the opinion of all BC employees who feel uncomfortable in face of this new situation.

This employee said this is not a question of being reluctant to change. The issue represents a problem of conscience and of being incapable of doing anything to solve it because there are no means to do so.

He said the free movement of capital does not bother us, it is welcome. What bothers us is that the BC cannot control the CC5's because all cases are sent to Brasilia where they stagnate and are not followed up. There is no exchange of information among the BC, the Federal Revenue, and the Federal Police due to the bank secrecy principle. Only the BC can break this secrecy. Therefore, it hears things it would not like to be the only one to know.

Had the exchange market already been deregulated, BC experts would have felt great relief and would no longer be part of the confusion. BC experts do not share the extremely exacerbated nationalist position of Americo Parada Filho [not further identified]. Some believe the decision to suspend the exchange market brokers rights to act in this market has been a very heavy penalty and that Parada Filho has touched an extremely sensitive nerve regarding bank secrecy. Nevertheless, he was very wrong in some of his criticism, particularly regarding multinationals. BC experts and exchange market monitors think the main problem is not a free exchange rate but the fact that, although the government has officially deregulated the exchange market, this market has been traditionally controlled in Brazil.

Brazil's Strategic Position Outlined

PY1310181695 Rio de Janeiro O GLOBO in Portuguese 8 Oct 95 p 6

[Commentary by Strategic Affairs Secretary Ronaldo Mota Sardenberg: "What is the strategy?"]

[FBIS Translated Text] Brazil's strategic positioning in the international arena has been marked by irritating competition among nations and among multinational enterprises. The struggle for markets is just one of the most obvious facets of this competition. Other equally relevant facets, however, involve a stronger Brazilian engagement in the managing of the world's political and economic order, national defense, and above all the "distress" that most countries feel toward the current rapid world transition stage.

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We are in the eye of the storm of the political, economic, and technological change. From a global viewpoint, the past no longer shapes the future, and the present gives only precarious guidance for those who want to see what will happen at the end of this century, and in the first half of the next century.

"Distress" has emerged in Europe, dealing with, for example, economic exhaustion — depicted by high unemployment rates — and with the future of the central European region, in which the conflict in the Balkans plays a central role. Another example is Africa, where political and economic collapses in Saharan subregions clearly reflect impasses and their very serious humanitarian, migratory, sanitary, and ecological repercussions.

Such phenomena are parts of a general picture of a "renaissance," that is, a change as radical as the one that 500 years ago marked the end of feudalism and the beginning of the modern age. The regions and countries that do not actively engage in that global process will lose not only the next 50 years — the future of our children and grandchildren, as people usually say — but certainly their possibilities for the coming centuries.

A new order of post Cold War, post industrial, and post modernity is being created among developed countries. This new order is based on knowledge, communications technology, and services, while on the other hand obtaining profits abroad, formal and informal unemployment, and diversified forms of mass consumption and leisure also form an important part of this new order. This will be the new First World.

At the same time, there has been obvious economic progress in the Asian-Pacific region, coupled with a rapid industrialization of this zone. If this trend persists — as is expected — over the next 15 or 20 years, this will produce an essential reconsideration of the century-old relations between the hub of the world and peripheral regions. This will possibly prompt a narrowing and redefinition of the gap separating rich countries from the nations that at that time will still be poor. This will define the new Second World.

Possibly all of Africa, a large part of central Asia, and a considerable part of Latin America will be practically "sidelined" from progress, until the capitalist system reaches a new stage in its evolution, once again incorporating those regions, either peacefully or through coercion.

This Brazilian "distress" is born out of that set of prospects. If Brazil and the whole of South America are not in the second group of countries, which update themselves, they will inevitably fall in the third group, of excluded nations. We must join the ongoing world change. Late economic adjustments will be insufficient; We must urgently improve our capacity to take early notice of ongoing world changes.

At the same time, it is in our interest to adopt strategies that will allow us, in the long run, to cross the "border" that separates the new First and Second Worlds. We must accompany world developments and enter the post-industrial era. We must also provoke a positive discussion about possibilities of areas that risk becoming internationally excluded, that is, ways to keep the new Third World on the path of economic progress.

The internal translation, or the Brazilian experience with this "distress," is shown in the imperative need to resolve the question of regional inequalities and social exclusion. Brazil will not remain in the new Second World, much less climb into the First World if a large portion of its population is excluded and entire regions continue underdeveloped. The trend toward national fragmentation could get exponentially stronger if we consider the dynamism of global processes. It is also possible that the border between the new Second and Third Worlds could cut across our own territory.

We cannot seriously expect regions that do not receive assistance to become idyllic parks, as we have heard many times. Much more realist is to expect an anomalous situation with the multiplication of political and cultural alienation; poverty; violence; the exploitation of men, women, and children; and the plundering of the environment. This prospects will open doors to highly negative internal and external interactions. We must rescue those regions from abandonment, use the technologies available to us, and place them on the path to progress. In the Amazon region, for instance, the Sivan/Sipam [Amazon Region Surveillance System/Amazon Region Protection System] projects will use all national efforts in that direction.

Thus, our "distress" must be resolved through our strategic insertion into the international community and into South America through the correction of social inequalities and national integration, and by emphasizing science and technology as heralds of the future, and in the last analysis, of the preservation of our territorial integrity and our country's viability. This is the Brazilian Government's strategic vision of our future.

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Editorial Views Government Approach to MTCR

PY1210225795 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Oct 95 p A3

[Editorial: "Brazil Controls Its Weapons"]

[FBIS Translated Text] Brazil will present its candidacy to the Missile Technology Control Regime (MTCR) during the organization's meeting in Bonn this week. It has been reported that the United States will support our candidacy, which almost ensures success in joining this effective system to control the proliferation of weapons of mass destruction. From the political point of view, Brazil's admittance to the MTCR shows we support one of the main trends that characterizes the post-Cold-War world. The only point lacking to make Brazil's adherence to the requirements of the industrialized world more complete is congressional approval of the intellectual property bill. When this happens we will be, from the conceptual viewpoint, at the same level as the most dynamic economies in the world, and formal obstacles to trade enhancement will disappear and new investments will be attracted to Brazil.

We could have become a member of the MTCR a year ago but the government did not have enough energy and Congress did not have the perception to pass laws regulating the exportation of materiel and sensitive products. The executive and legislative branches scored these two goals only a few weeks ago when it became evident that, unless Congress swiftly decided to vote the bill proposed by the government, Itamaraty would lose the chance to present our candidacy at the Bonn meeting this week. A last-minute agreement made it possible to withdraw the amendments that would retard the approval of the bill. Beside being pragmatic, this was also praiseworthy because it placed national interests above personal opinions and political party objectives.

Brazil will thus present its candidacy to the MTCR on 9 October. It has already been stated that we have been acting unilaterally in accordance with the norms of the regime, even though we were not a member. The decision to comply in advance with the terms of the regime was necessary to prove to the international community that Brazil is committed to nonproliferation efforts that seek to reduce the danger of a war of mass destruction.

The MTCR is a select club of 23 countries. Apart from Argentina and Hungary, all the members belong to the OECD, the common commitment of which is to prevent missile-construction technology from become available to countries that do not belong to the group. Becoming a member of the club does not, however, ensure the right to receive missile-construction technology. Brazil is more motivated to join the MTCR to gain additional international respect for its policies, particularly those related to sensitive activities, than to obtain access to new technologies and materiel. These are only achieved through bilateral negotiations with countries that are not jeopardized or harmed by the Brazilian space program.

The decision to join the MTCR is, therefore, essentially political. It seeks to tell the international community that Brazil is trustworthy and that our policies on sensitive issues are predictable. The decision to formally protect the development and production of missiles in the country comes in addition to measures to protect the national nuclear program, which currently comes under the safeguards of the Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials and the IAEA, and is also consistent with Brazil's decision to explicitly renounce the manufacture of chemical weapons. The decision to join the MTCR, as well as the nuclear accords signed with Argentina and the IAEA, reflect the maturity of missile technological-development programs. It also shows we are firmly and definitively committed to peaceful objectives.

It must be pointed out that Brazil, unlike Argentina, did not feel it was necessary to dismantle its missile program to obtain credibility and respect in the eyes of the international community. It is well-known that the [Argentine] Condor Program sought to produce a military missile with financing and support from Middle East administrations. When he aligned his foreign and defense policies to those of the United States, Argentine President Carlos Menem burned his missile designs at the sacred sacrificial altar and melted down his tools and equipment. Conversely, Brazil has been developing a system of missiles to launch satellites. This program has suffered several delays due to lack of resources, which are exclusively Brazilian. When we decided to align our policies with the trends that prevail in most western economies, since the [former President Fernando] Collor administration, it did not even consider sacrificing its space program. These differences partially explain the ill will shown by Argentine officials regarding Brazil's admittance into the MTCR. Beyond these petty regional disputes, Washington wants to transform the MTCR from an accord that unites 23 countries into a set of rules that may be adhered to by every country in the world. Washington cannot remain aloof to the changes in the sensitive policies adopted by the Brazilian administration.

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Chile

Reports on, Reaction to Visit by Hillary Clinton

Arrival 'Under Strict Security'

PY1310124995 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 13 Oct 95

[FBIS Translated Text] U.S. First Lady Hillary Clinton arrived at 0150 this morning. Her visit will last until noon on Saturday.

U.S. First Lady Hillary Clinton arrived under strict security measures. Restrictions on the number of reporters and a great deployment of policemen and civilian agents were the main characteristics visible at Pudahuel Airport.

Under very cold temperatures, Gabriel Guerra Mondragon, U.S. ambassador to Chile, and a small Chilean protocol delegation welcomed her at the airport.

The U.S. first lady spent only 10 minutes at Pudahuel Airport. From there she went to the Hyatt Hotel, where she will stay tonight and tomorrow night during her short visit, which will last only a day and a half.

Hillary Clinton, an outstanding 48-year-old lawyer, is the first wife of a U.S. President to visit our country. During her stay, she will visit the organizations headed by [Chilean First Lady] Marta Larraechea de Frei that deal with matters concerning development of women, children, and the family.

Her trip is part of the Clinton administration's policy of rapprochement with Latin America. She will not be able to penetrate matters or issues deeply, however. It was announced previously that she will not answer questions from the press, although at the airport she released a written statement stressing the excellent relations prevailing between the two countries.

Notes Shared 'Commitment to Democracy'

PY1410205595 Madrid EFE in Spanish 1841 GMT 14 Oct 95

[FBIS Translated Text] Santiago, 14 Oct (EFE) — U.S. First Lady Hillary Clinton today ended her visit to Chile, which lasted a bit more than 24 hours. During her stay, she visited social development centers, praised the Chilean economy, and supported the country's educational reform.

Mrs. Clinton, who arrived in Santiago from Nicaragua yesterday, left today for Brazil, the third leg of a Latin American tour that will also include Paraguay.

In statements made during her stay in Chile, Hillary Clinton emphasized that Chilean economic progress "is occurring at a time when there is genuine interest in investing in people."

"This means investing in education, training, health, employment, and respect for the rights of all citizens, including women, to engage in the country's political life," she stressed.

The U.S. first lady added that Chile and the United States share a commitment to democracy, justice, and equal opportunities.

She added that Chile's joining NAFTA will strengthen unity "not only between our two countries, but among all countries of the continent."

Before leaving the Chilean capital, Hillary Clinton talked with leaders of shantytowns in southeastern Santiago.

During her stay in Chile, Hillary Clinton and Marta Larraechea de Frei — the Chilean president's wife — visited two shantytowns in southern Santiago to learn about their community and educational development programs.

The U.S. first lady observed the work done by some productive development workshops, micro-enterprises run by women, and medical centers for infants.

Mrs. Clinton also expressed interest in the educational improvement programs under way among extremely poor sectors.

Hillary Clinton praised Chile's efforts in the educational area, and said she wanted to become familiar with the programs being sponsored by the Education Ministry, programs for which she expressed support.

The first lady met with President Eduardo Frei, and on 13 October she had lunch with outstanding female political leaders and with leaders of Chilean social and women's organizations.

At the University of Chile's Honor Hall, Hillary Clinton delivered a speech addressed to women and their position in the workplace and workforce.

Praises 'Chilean Model'

PY1410030395 Santiago Universidad Catolica Television Internacional in Spanish 0100 GMT 14 Oct 95

[FBIS Translated Text] During her first day in Chile, the U.S. First Lady constantly praised the Chilean model. Upon her arrival, she disseminated a statement in which she asserts that she and her husband hope that Chile will soon join NAFTA.

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[Begin recording] [Unidentified reporter] Hillary Clinton has started an exhausting Latin American tour. In five days she must tour four countries. She arrived in Chile at 0200 and at 1000 she arrived smiling and elegantly dressed at the residence of her hostess, Marta Larraechea de Frei.

From there, they headed for the La Pintana district where Mrs. Clinton learned from local residents about the benefits of having municipal nurseries and the couples' program that fall under the jurisdiction of the Chilean First Lady's office.

[Hillary Clinton, in English fading into Spanish translation] Tell me a little bit more about what you do in the couples' program [programas de familia], because one of the big issues in my country and the rest of the world is how to strengthen marriage...

[Reporter] During the day, Hillary Clinton expressed great interest in every model she visited, particularly about the activity carried out at a San Joaquin school where the [name indistinct] education program which seeks to improve the quality of education is implemented.

Later at the University of Chile, she announced that the United States will finance similar programs in other Latin American countries.

[Clinton, in English fading into Spanish translation] I hope that the model I saw today and others that are taking place around Chile will definitely be able to be implemented throughout the Americas, because if we work on these issues together then we will see that the quality of life throughout the hemisphere rise.

[Reporter] The U.S. First Lady held a 20-minute meeting at Government House with President Frei. She also held a luncheon with famous Chilean women whom she greeted amid a parade of waiters who simply chose to ignore protocol.

She had tea also with Chilean women with whom she discussed the prospects for development in Chile, which Hillary Clinton repeatedly signaled as an example and model for many others. [end recording]

Mrs. Frei Evaluates Visit

PY1510231095 Santiago EL MERCURIO in Spanish 15 Oct 95 p C3

[FBIS Translated Text] Mrs. Marta Larraechea de Frei, the wife of Chilean President Eduardo Frei, said farewell to the wife of the U.S. President at the Arturo Merino Benitez Airport on 14 October and evaluated positively the visit that U.S. First Lady Hillary Clinton paid to Chile.

Marta Larraechea explained that Hillary Clinton's visit was designed to let the U.S. first lady get a close look at what the Chilean Government is doing to curb poverty. Mrs. Frei emphasized that she did not ask the U.S. Government for assistance, nor did Hillary Clinton offer it.

"I am very proud to say that we showed her what we are doing without asking for any help," Mrs. Frei said.

Marta Larraechea explained that Mrs. Clinton was impressed by the work of the Family Foundation, and that the U.S. First Lady attentively listened to the statements of couples at the La Pintana family center which she visited on 14 October.

"She felt that here we are dealing with women, children, and the family as a whole," Mrs. Frei said.

In a public statement, the U.S. First Lady said that Chile proved that poverty can be reduced when a nation reinstates democracy and a free market economy.

The press release also states that what surprised her the most during her stay in Chile is the administration's efforts to improve training and education.

"I am persuaded more than ever before that the relations between the United States and Chile are strong and beneficial. I have faith that our governments will work together to promote peace, prosperity, and social progress throughout the hemisphere," Hillary Clinton said.

The U.S. President's wife boarded the presidential plane after midday and left for Brazil, after which she will go on to Paraguay to attend, together with Marta Larraechea de Frei, the Summit of First Ladies.

During her second day in Chile, just before leaving the country, the U.S. First Lady went to the Penasol Center in Penalolen shantytown where she met with local microbusinesspeople, and then visited a local marketplace.

Together with Marta Larraechea, Hillary Clinton met with women who are participating in the program that is being financed by the Social Aid and Investment Fund (Fosis), and the National Training and Employment Service (Sence).

After hearing out the microbusinesswomen, the distinguished visitor asked about the best ways her country could cooperate with this type of program, thanked the women for sharing their experience with her, and congratulated them for their initiative.

This program involves 70 women who are being trained, advised, and financed. The program provides computer training, loans, and management advice — all of which

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is available in San Joaquin, Lo Prado, Pudahuel, Cerro Navia, and Penalolen shantytowns.

The microbusinesswomen took the opportunity to ask Mrs. Frei for more Fosis funds for these types of programs, to which she answered: "Let's not get pessimistic ahead of time."

The two first ladies toured a local market where they talked with the vendors, who gave Hillary Clinton Chilean vegetables and presented her and her Chilean counterpart with flowers.

After touring the market, Bill Clinton's wife went to the Comodoro Arturo Merino Airport where she boarded the plane that would take her to Brasilia, and later to Paraguay.

'Activist,' 'Feminist' Role Applauded

PY1510234195 Santiago LA NACION in Spanish 14 Oct 95 p 14

[Commentary by Jordi Berenguer: "A Woman Who is on First-Name-Basis With Power"]

[FBIS Translated Excerpt] Hillary Rodham Clinton has had ups and downs since her advent to power, hand in hand with her husband. Her style, marked by an unusual political approach earned her great victories but also great losses.

Committed to not being left out of the west wing of the White House — where the men traditionally work — she hired five presidential-level assistants and started out by taking over at her husband's request one of the key issues on the U.S. agenda: the health care crisis.

Unable to turn her health plan into law because of lack of support in the Senate, she became the target of harsh criticisms which prompted her to refocus her efforts: social issues, which are the ones that prompted this Latin American tour. [passage omitted]

The much-ballyhooed Whitewater affair is one of the things that shook the Clinton marriage the most. Charges and suspicions at that time were focused mostly on Hillary.

Although she claims that she is sure that the charges were a Republican Party plot to discredit her, she acknowledged that "we made many mistakes." Even though the initial strategy was to downplay the whole affair, the scope of the scandal forced her to change tactics and take the attitude of "putting all the cards on the table to get this matter cleared up."

Hillary must tread on a path mined by envy and susceptibility, working long hours to avoid giving the impression that she is neglecting her duties as the White House hostess and to maintain her image as the epitome of the U.S. woman.

She stands out as an activist, a staunch feminist, and an optimist about making the world better. Undoubtedly, signs that said "Vote for Hillary's husband" displayed during the campaign that took Clinton to the White House, were at least partially right.

Media Comentary on Visit

PY1610024895

[FBIS Editorial Report] The following is a roundup of media commentary and reaction, covering the period 12-15 October, to U.S. First Lady Hillary Rodham Clinton's 13-14 October visit to Chile:

Santiago Television Nacional de Chile Imagen Internacional in Spanish at 1100 GMT on 12 October carries a 2.5-minute report by Washington correspondent Monica Perez previewing Hillary Clinton's visit. Perez terms Mrs. Clinton the "most controversial First Lady in U.S. history," adding that the goal of her Latin American tour is to "find a new image in her role as wife of the U.S. President." Perez notes that the U.S. First Lady's "sin," and a source of the controversy surrounding her, is the fact that she is not "the typical wife of a president, who merely invites people to have tea." Perez says that Hillary Clinton has encountered "so many problems finding her own place in her husband's administration," given her "prestigious" credentials.

Perez notes, further, that Mrs. Clinton's "most significant failure" was the reform of the U.S. public health system. She points out that "some people" criticize Mrs. Clinton's "extremely strong character" and her involvement in "issues that do not concern her," such as the appointment and removal of U.S. Administration officials. Perez says that "those were her worst moments," and contrasts this with her "new, more positive, role, involving foreign policy." Elaborating on this theme, Perez asserts that with her attendance at the international women's conference in Beijing, the U.S. First Lady "found her fighting ground, astutely blending her political agenda with championing women's and children's rights." In conclusion, the reporter says that "Hillary Clinton's change is based on the belief that she can help President Clinton regain the votes that he lost in the past elections from women, Negroes, and the elderly." Perez asserts that if Mrs. Clinton "actually wants to help her husband remain in the White House after the 1996 elections, she will have to maintain this new image of moderation."

Santiago EL MERCURIO in Spanish on 12 October publishes on page A11 a 1,120-word report by New

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York correspondent Jessica Herschman on Hillary Clinton's Latin American tour. After citing recent polls which indicate that "47 percent of the American people believe Hillary Clinton is capable of being the U.S. president, while 40 percent believe she is more intelligent than her husband," the report goes on to add that in her position, Mrs. Clinton "has experienced ups and downs," and that "with her unusual way of engaging in politics, she has imposed a new style that has yielded great victories but also great defeats." Herschman says that Mrs. Clinton "has sought to play a more leading role in the White House," and as a result her husband assigned her the "very important issue" of health care reform.

Herschman notes that "Mrs. Clinton has become, for American women, a symbol of what women can achieve," and that she "draws more attention" than the President does during presidential visits. She says that Mrs. Clinton has drawn "some criticism" regarding her failure to secure approval of a health care reform bill and adds that the Whitewater incident has "undermined" her image. Herschman adds that Hillary Clinton has been forced "to rethink her role as First Lady and to try to improve her image." This new image, characterized by "a much more informal role with a more subtle approach" and less focus on "current political issues," involves, Herschman contends, "a winning formula that cannot fail" — that is, more devotion to issues involving children's health and nutrition programs, education, women's rights, and criminal delinquency. In conclusion, Herschman notes that Hillary Clinton's foreign trips promote "the human dimension of politics."

Further Media Reaction

[FBIS Editorial Report] Santiago LA CUARTA in Spanish on 12 October carries on page 7 a 550-word unattributed report on Mrs. Clinton's visit. The article describes Mrs. Clinton as the "power behind the throne." It says that she has sought to balance her role as a professional lawyer, a housewife, and a wife of the U.S. President, adding that she has acquired "well-earned prestige."

Santiago LA NACION in Spanish on 14 October publishes on page 14 a 325-word commentary by Jordi Berenguer entitled "A Woman Who is on a First-Name Basis With Power". Berenguer says "since her advent to power," Hillary Clinton has experienced "ups and downs." Berenguer contends that Mrs. Clinton's style, "marked by an unusual political approach," has earned her "great victories but also great losses." The commentator explains that due to the "harsh criticism" Mrs. Clinton received for failing to win Senate support for her health care reform, she was forced to "refocus her efforts" on social issues, which is the impetus for this Latin American tour. Berenguer assessed positively Mrs. Clinton's handling of the "much-ballyhooed Whitewater affair," in which she was the target of "charges and suspicions." Berenguer says that Mrs. Clinton laid "all the cards on the table" to clear the matter up. She goes on to say that Mrs. Clinton must "tread on a path mined by envy and susceptibility," working long hours "to avoid giving the impression that she is avoiding her duties as the White House hostess" and "to maintain her image as the epitome of the U.S. woman." Berenguer closes by applauding the U.S. First Lady's role as an "activist, a staunch feminist, and an optimist."

Santiago LA NACION in Spanish on 14 October carries on page 3 a 620-word report by Paola Calcagni entitled "The First Lady Broke the Mold." Calcagni reports on her interviews with seven "well-known Chilean women," who describe Hillary Clinton as "positive, charming, and knowledgeable." She adds that they all agree that the "First Lady equals housewife formula" does not apply to Hillary Clinton. Calcagni says that the U.S. First Lady elicits all kinds of comments "about her possible influence on Bill Clinton, hence on U.S. and world policy."

Calcagni goes on to cite her interviews with these Chilean women. Writer Pia Barros says Hillary Clinton serves as "a clear reminder to all Latin American First Ladies that it is better to focus on women's affairs and social issues than on the latest fashions." Maria Rozas, vice president of the United Labor Confederation says "Her record shows that she will make history. Hillary has proven that next to every great man there is a great woman. Her visit to Chile will help bring women's issues up front." Lily Perez, municipal council member for National Renewal believes that "Hillary's switch from a super-feminist attitude to a more moderate one has anything to do with image-marketing." She goes on to say: "I truly believe that it is real and that she is trying to find her place at other levels." Singer Andrea Tessa says: "I believe that she is extremely valuable; she has a strong personality and has had a positive influence on her husband's administration." Ecologist Adriana Hoffman echoes this opinion, saying: "I think she is a very active and intelligent woman who has a great deal of influence on her husband, therefore, on her country and the world at large." Former Socialist Party Deputy Carmen Lazo remarks: "I have heard that she is a First Lady who is less concerned with organizing banquets than with current problems." Finally, Christian Democratic Party Deputy Mariana Aylwin comments: "I think she is a very intelligent woman who is very much aware of women's issues." She adds: "I used to think

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she was much more liberal than she actually is, but now I see that she is much more balanced and reasonable."

Santiago EL MERCURIO in Spanish on 15 October carries on page D12 a 1,500-word commentary by Marcela Aguilar Guzman entitled "The Fleeting Blonde." Aguilar begins by saying that although Mrs. Martita Larraechea Frei was dubbed "Hillary" during her husband's presidential campaign, she is a "far cry" from Hillary Clinton, pointing out that while the Chilean First Lady is well-liked, Mrs. Clinton is considered a "Feminist Nazi," who inspires "in her homeland a degree of love and hate." Aguilar further notes Mrs. Clinton's "unfortunate remark" that had she "stayed home baking cookies," she would have not achieved what she did. The commentator points out that Mrs. Clinton "forgot that several million U.S. women are simply housewives."

Court Rules in Favor of Argentina in Territorial Dispute

PY1410033895 Santiago Universidad Catolica Television Internacional in Spanish 0100 GMT 14 Oct 95

[FBIS Translated Text] A final decision has been made on the Laguna del Desierto subject — it is Argentine territory. This decision was made by the arbitration tribunal to which the Chilean and Argentine Governments have resorted to settle their border disputes.

Chile will accept the decision.

One should never lose hope. This seemed to be the Chilean Government's feeling when, on 31 January, it made its presentation before the arbitration tribunal for revising some aspects of the ruling on Laguna del Desierto. Issued in October 1994, the ruling was negative for Chile, assigning 530 sq km of territory to Argentina.

Even though no appeal has ever been mentioned — because there was no such possibility — the tribunal decision could be subject to revision.

The Chilean presentation requested the revision and interpretation of the ruling. The tribunal rejected the request for revision by four votes to one, while the request for interpretation was unanimously rejected by the five tribunal members.

[Begin Foreign Minister Jose Insulza recording] The Chilean Government reiterates that it strongly disagrees with the contents of the decision made in 1994, which the tribunal confirmed on 13 October. The Chilean Government shares the feeling of affliction that the country is experiencing in light of this situation.

The security of our borders is based on the border treaties signed with our neighbors, which our country has scrupulously respected.

Under the current circumstances, the only alternative is to respect the tribunal decision. The government is convinced that this attitude is the best safeguard for Chilean interests and for the stability of Chilean borders. [end recording]

After informing President Eduardo Frei about this resolution, Insulza said that all possible legal steps were taken, ruling out the possibility of resorting to the Hague tribunal as a last option.

Insulza finally emphasized that of the pending border problems with Argentina, there is just one to be settled.

[Begin Insulza recording] The only pending issue is the glaciers treaty. The government expects to reach, within the next few months, an agreement with the Argentine Government and with the Chilean Congress over the method to be followed in order to approve this treaty, thus putting a final end to the border problems with Argentina. [end recording]

Official Says Investment Accord Negotiated With Cuba

PY1310160895 Santiago EL MERCURIO in Spanish 7 Oct 95 p D3

[Interview with Juan Banderas, acting vice president of the Economy Ministry Foreign Investment Committee, by Ricardo Leiva; place and date not given]

[FBIS Translated Excerpt] [Leiva] A few years back no one would have thought that Chilean companies would today be becoming multinational companies that are increasingly conquering Latin American markets. [passage omitted]

In its latest report, the Foreign Investment Committee notes that, as of April 1995, Chilean capital investments abroad were equivalent to 7 percent of the 1994 GDP.

Chilean investments abroad totaled $3.933 billion as of April 1995. [passage omitted]

Thus far, Chile has signed 23 agreements for the promotion and protection of investments. This could double in the medium term because another 15 agreements are currently being negotiated, five of which are now ready for signature.

An agreement with Cuba has been successfully negotiated and is now ready for signature. [passage omitted]

The Cuban economic opening is behind Fidel Castro's interest in signing an agreement with Chile for the

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promotion and protection of investments. It should be signed soon.

Yet, why is Chile interested in signing an agreement with Cuba?

Juan Banderas, acting vice president of the Economy Ministry Foreign Investment Committee, said the main reason lies in the investment figures. Chile is interested because Cuba has become one of the main recipients of Chilean capital.

As of April 1995, Chilean investments in Cuba totaled $30.3 million. Although this amount is nowhere near to that invested in Argentina, there is clearly a growing interest among Chilean investors to get a foothold in Cuba.

It has been reported that leading Chilean entrepreneurs — like Andronico Luksic, Sebastian Pinera, and members of the Cueto family — visited Cuba in recent weeks.

There is every indication that these prominent businessmen visited Cuba attracted by something other than just the Cuban sun and beaches.

Banderas, the main Chilean negotiator during the recent talks with Cuba for the signing of an agreement for the promotion and protection of investments, will now discuss this agreement which could generate widespread reactions.

Why did Chile agree to sign this type of agreement with Cuba?

[Banderas] Because Cuba is willing to comply with absolutely every requirement set by both the Foreign Investments Committee and the Foreign Ministry to sign an agreement that would promote and protect foreign investments.

Although figures were not made known to the public, Cuba is a major recipient of Chilean investments. Chilean investments on the island are larger than those in Bolivia, Ecuador, and Mexico.

Chilean investments in Cuba almost match those made in the United States.

[Leiva] When should the flow of Chilean capital to Cuba increase?

[Banderas] The most remarkable fact is that Chilean investments in Cuba are just beginning because it is very easy to form a partnership with the Cuban state.

When we were there, the Cuban Government had just approved a new law on foreign investments guaranteeing, like any other country, the repatriation of both capital and profits.

[Leiva] Would you say that through the agreement the Cuban Government will give full guarantees to Chilean investors?

[Banderas] Cuba gives every guarantee that can be supplied by any country interested in receiving a large inflow of foreign capital. Cuba can give further guarantees because of the nature of the Cuban state. This is obvious because foreign investors would be forming a partnership with the state, which is acquainted with its economy and manages it, thus generating a great deal of security.

[Leiva] Which Chilean sectors would be interested in investing in Cuba?

[Banderas] Cuba offers a great variety of opportunities in the agrarian, agroindustrial, industrial, mining, and tourist areas.

It was no coincidence for us to run into leading Chilean investors during our visit to Cuba.

[Leiva] Do you think this agreement could create some hurdles for Chile in its bid to join NAFTA?

[Banderas] The Chilean foreign minister has stated that it would be a mistake for Chile to become "NAFTA-ized." We cannot act as if we were signatories of an agreement before we are formally admitted to it as a member. That fear should not be a decisive factor in formulating our foreign policy.

Similarly, Mexico and Canada — the NAFTA partners of the United States — are close friends of Cuba. Thus, I cannot see why this agreement would represent any stumbling block. It should not be forgotten that the Chilean Government signed, and the Chilean Congress ratified, an agreement with China — which is also a centrally planned economy

[Leiva] In sum, would you state that foreign property is now fully guaranteed in Cuba?

[Banderas] Foreign investments no longer face any risk in Cuba. The new legislation protects foreign investments with domestic rules. Yet, because the agreement negotiated with Chile will be based on international rules, the Cuban courts will have no jurisdiction over it. It would even be possible to take the matter to an international tribunal of arbitration. In conclusion, private property and the right to repatriate both capital and profits are absolutely guaranteed.

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Austrian Government Negotiates Bilateral Agreements

PY1510201895 Santiago EL MERCURIO in Spanish 10 Oct 95 p C5

[FBIS Translated Text] The Austrian and Chilean Governments have agreed to negotiate an agreement on the reciprocal promotion and protection of investments.

Austrian Deputy Foreign Minister Benita Ferrero-Waldner, on 9 October, explained to Foreign Minister Jose Miguel Insulza that the Austrian Government believes this agreement is vital. She reasserted this during a meeting presided over by Chilean Ambassador Favio Vio, who is acting Foreign Ministry under secretary. Ferrero-Waldner arrived on 8 October and will stay until 11 October.

During a meeting at the Foreign Ministry, Ferrero-Waldner expressed Austria's interest in negotiating an agreement for the promotion and protection of investments to which Chile has acceded.

Ferrero-Waldner and Vio agreed that the agreement being negotiated by Chile and Germany on the same issue can be used as a model to achieve this objective. It was noted that this agreement could also be used for negotiations with Switzerland.

She stated that the agreement could be signed during the visit President Frei will make to Austria in February 1996 during which he will attend the Davos business summit sponsored by the International Economic Forum.

Another issue broached during the meeting centered on future negotiations between Chile and the EU, of which Austria is a member.

They also discussed a bilateral social security agreement that will benefit some 1,000 Chilean citizens who have been living in Austria over the past 20 years.

A third bilateral cooperation agreement between Chilean and Austrian, which deals with the use of security institutions to fight the illegal trafficking of drugs and psychotropic substances is also being negotiated.

Insulza, German Counterpart Favor Chilean-EU Accord

PY1410020895 Santiago EL MERCURIO in Spanish 26 Sep 95 p C4

[FBIS Translated Excerpt] New York — The German Government yesterday expressed its concern over the Colonia Dignidad case and the problems that the European Southern Observatory (ESO) has experienced in Chile regarding the construction of a new observatory in Cerro Paranal.

Both of these issues were discussed by German Foreign Minister Klaus Kinkel during bilateral talks held with Foreign Minister Jose Miguel Insulza.

Despite expressing German concern over these issues, Kinkel reasserted his country's support for eventual negotiations for a Chilean-EU agreement.

Kinkel told Insulza that "it was during Germany's chairmanship of the EU that this idea was promoted, and just as Germany then supported an agreement between the EU and Chile, it continues to do so now."

This meeting took place on 25 September within the framework of the 50th UN General Assembly in New York. [passage omitted]

According to Insulza, during the meeting they discussed numerous issues of common interest, among them the future negotiations that Chile will hold to achieve an economic and political agreement with the EU.

Insulza said he told Kinkel that Chile is interested in undertaking bilateral negotiations as soon as possible with the EU.

Insulza stressed that Chile want[illegible] achieve an agreement that will encompass cooperation and trade programs. [passage omitted]

Frei Reasserts Interest in Joining UN Security Council

PY1410025395 Santiago EL MERCURIO in Spanish 11 Oct 95 p C2

[FBIS Translated Text] President Eduardo Frei yesterday stated that one of the United Nations's most important objectives is the ongoing struggle to achieve peace and its efforts to eradicate or fight poverty all over the world.

Frei yesterday headed the ceremony, attended by the corps and UN representatives, to commemorate the United Nations's 50th anniversary, which was held at the Economic Commission for Latin America headquarters.

The speeches delivered at the ceremony expressed hope that the United Nations will continue centering its efforts on those tasks that motivated its establishment at the end of World War II and which in time has become an essential tool in the interrelation of nations.

Frei, who was accompanied by Foreign Minister Jose Miguel Insulza, reasserted that his administration will continue cooperating with the United Nations and that "we will not shun new tasks or duties."

He stressed that in the past few months Chile has pursued what he described as the Latin American

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candidacy to be appointed as a nonpermanent member of the UN Security Council, just as it did in the 1952-53 and 1961-62 terms.

Frei said: "Chile cannot renounce its superior political tasks, particularly when our trade objectives compel us to establish ties with the entire world, without any restriction."

In his speech, Frei said that the United Nations has been extensively recognized and that it has increased its role as a powerful dynamic force in political processes at the national and international level.

He added that "the great merit of the United Nations is to have promoted human values in a divided world," and that the best work it has produced is the UN Human Rights Declaration.

Frei stressed that the United Nations has not solely centered its activities on peace- and security-related activities but has encompassed all aspects of human life, and that in view of this, it has been present in issues pertaining to economic relations, scientific process, social development and environmental issues, among others.

Commenting on one of these issues, Frei said that "in view of this, in no region of the world can someone perpetrate human rights violations or violate political freedoms under the pretext of safeguarding or promoting democracy. All UN members are obliged to safeguard human rights because these rights are as universal as the United Nations itself."

Minister: Country 'On Time' Regarding Antidrug Fight

PY1310141095 Santiago EL MERCURIO in Spanish 7 Oct 95 p C13

[FBIS Translated Excerpt] Interior Minister Carlos Figueroa has stated that in Chile "we are still on time" with regard to preventing the negative effects provoked by drug trafficking, which affects both the people and the economy of a country. He added that by fomenting corruption, drug trafficking causes institutional instability in those countries which "it has managed to penetrate deeply only because no corrective action had been taken at the appropriate time."

Figueroa made these remarks upon dedicating the new offices of the Antinarcotics Department [Departamento de Control de Trafico Ilicito de Estupefaciente] of the State Defense Council (CDE), which will implement the new tasks assigned to it by Law 19366 — the new drug enforcement law — especially regarding money laundering, an activity that has been made illegal for the first time in Chile as a result of this law. [passage omitted]

Contreras To Transfer Punta Peuco Prison 'Before 23 October'

PY1310143895 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 13 Oct 95

[By Jorge Martinez from the Eighth Region — names identified by caption]

[FBIS Translated Text] Important Army officers have reportedly visited Manuel Contreras at the Talcahuano Naval Hospital to prepare for his transfer to the Punta Peuco prison before 23 October.

Army maneuvers in the zone, based at the Carriel Sur Airport, reportedly diverted attention from the visit of a high-ranking officer to Talcahuano. The mission of this officer was to tell Contreras about the decision to transfer him to the Punta Peuco prison before 23 October, a date set by the Supreme Court Third Chamber, and before the return to the country of General Augusto Pinochet, the Army commander in chief. This is reportedly the result of an agreement reached with the government.

[Begin recording of Rear Admiral Jorge Balaresque, 2d. Naval Zone commander] The general has received visits of many people and I do not keep any record of who visits him and who doesn't. I have not visited the general for several days, but he is well. He is in good condition. [end recording]

Contreras' transfer will reportedly be conducted by Army commandos. The presence at Carriel Sur of Army helicopters would thus provide the necessary security guarantees for the transfer of Contreras to the Punta Peuco prison where his former subordinate, Brigadier Pedro Espinoza, awaits him.

Activities of Visiting Kenyan Foreign Minister Noted

PY1310233295 Santiago EL MERCURIO in Spanish 11 Oct 95 p C5

[FBIS Translated Text] The Chilean Government and the Kenyan Government have agreed to restore cooperation programs and find new areas for mutual assistance and the transfer of knowledge for the increased well-being and progress of the two nations. This agreement was achieved on 10 October between Kenyan Foreign Minister Stephen Kalonzo Musyoka and Chilean Foreign Minister Jose Miguel Insulza, during a working meeting at the Foreign Ministry.

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During the working meeting, Minister Musyoka expressed the Kenyan Government's support for Chile's candidacy to become a UN Security Council member. Chile hopes to become a UN Security Council nonpermanent member for the 1996-97 period.

After his long working meeting with his Kenyan counterpart, Foreign Minister Insulza reported on some of the issues discussed. They reviewed a broad range of bilateral and multilateral issues.

During a meeting at La Moneda Palace, President Eduardo Frei asked the Kenyan foreign minister to review the possibility of Kenya opening a resident embassy in Santiago. Minister Musyoka indicated that he would convey this concern to Kenyan President Arap Moi.

Musyoka, in turn, invited Foreign Minister Insulza to visit Kenya. The Chilean minister noted that he could visit Kenya next year, during a tour that could also include South Africa.

Kenya and South Africa are the two sub-Saharan nations with which Chile maintains diplomatic relations and embassies.

Insulza pointed out that for this reason, not only bilateral and multilateral issues, but other issues linked to the current situation in that African region were included in his discussion with Musyoka yesterday.

Kenya has 28,240,658 inhabitants and an area of 596,250 sq km.

Frei Commemorates 7th Anniversary of Plebiscite 'No'

PY1410000195 Santiago EL MERCURIO in Spanish 6 Oct 95 pp C1,C6

[FBIS Translated Excerpt] President Eduardo Frei yesterday called upon the political class to keep insisting on dialogue and consensus for the good of democracy. He also expressed assurances that the proposal for national reconciliation he submitted to the country will sooner or later prevail with an irrepressible force.

On commemorating yesterday the 7th anniversary of the "No" option in the 1988 plebiscite called by the military regime, President Frei said that this fact must inspire all Chileans, and especially the coalition, to renew its commitment to democracy, which he described as still being imperfect.

He also urged the opposition to change the course of discussion about his proposal, stating that national coexistence cannot be organized under surveillance and oversight.

Yesterday, the coalition parties and the government plenum headed the main celebration ceremonies marking the anniversary of 5 October 1988: one at La Moneda Palace headed by the president; and the other at the former national Congress building organized by the Justice and Democracy Corporation, headed by former president Patricio Aylwin, and the Chile 21st Century Foundation, headed by Minister Ricardo Lagos.

The Chilean president together with all his ministers met at government palace with the presidents of the parties of the coalition and Congress officials to have breakfast and to remember that period.

On that occasion, the president released a message to the nation focusing on the importance of revaluing democracy, a political system achieved with the victory of the "No" and which allowed the Chileans to recover "their political liberties, pluralism, and the frank expression of ideas."

"We are living within a climate of social peace which allows the solution of conflicts within the framework of dialogue and mutual respect," President Frei said. He added that these past seven years have demonstrated that those who then predicted a chaotic situation, were mistaken.

He said that it has been confirmed that political democracy and economic development are not antagonistic concepts, but that they must be safeguarded by enhancing the system and the institutions.

Recalling 5 October 1988, Frei said that on that date there were demonstrations of courage and heroism, and that today the stages of reconstruction and improvement of that work require endurance.

"They also require special alertness so that routine activities of political life will not minimize the dignity of republican practices."

Referring to the reconciliation proposal which the Senate has been considering since August, he said that the time has come for Chileans to be able to see democracy without fear or restrictions.

"It is not contradictory at all to celebrate the initiation of our collective project by openly admitting that our democracy is imperfect. Celebrating means renewing our great objectives, gathering new energy to continue marching, and to purify our own methods of action," he said.

He added that those things require the maintenance of the desire for dialogue and consensus displayed over the past few years, and in that spirit he urged Congress to approve his three proposals.

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President Frei admitted that the idleness of the current political style based on conflict at times leads to hasty disapprovals and to the refusal of mere considerations of his proposals, but added that cooperation and respect have yielded continuous fruits.

The president took this opportunity to reply to some of the arguments posed by the opposition to reject his reconciliation proposal. He said that "it is a very bad defense" to reject the proposal by saying that the coalition wants to dismantle the current legal system.

He explained that the objective is to strengthen the institutions expanding their legitimacy, and improving their structure. "In fact, we should worry about whether some of our proposals do contradict some of the supposed theories or practices of Western democracy," he said.

He also rejected the argument that if things are going well, why reform the institutions? He said that these arguments "are not new nor ingenious, but have been part of antidemocratic history."

"Let us change the course of discussion. Our coexistence will not be orderly with ideas of surveillance or tutelage. Global communication is too fast and powerful to try maintain our coexistence by restricting information. More and better democracy is required to maintain coexistence," he said.

He added: "When a political proposal is based on the country's real situation, sooner or later it will prevail with an irrepressible force."

On concluding, the president invited his ministers and the coalition to renew the commitment to Chile that its people assumed on 5 October 1988, because he is certain that the country has found the path that guarantees economic progress, social justice, and strengthens democracy. [passage omitted]

War Under Secretary Outlines Defense Policy

PY1410185095 Santiago LA TERCERA DE LA HORA in Spanish 10 Oct 95 p 6

[Article by Hernan Garcia]

[FBIS Translated Text] On 9 October, War Under Secretary Jorge Burgos Varela challenged a foreign news agency report claiming that Chile has considerably increased its spending on military equipment. Burgos stated that Chile has a "deterrent and highly conservative" defense policy, adding that "defense expenditures are totally different from those reported in that news agency report."

The under secretary added: "We fully share the mainstream international political idea of not increasing defense budgets." Burgos said that "several factors may have influenced the decision" of a news agency to send a cable which "lack accurate information — I will not say they are ill-advised — but they lack specific information on this issue."

Burgos noted: "We want our Armed Forces to be in an interesting state of readiness to provide security whenever required."

Asked about the elimination of compulsory military service in Argentina and if he believes it is an appropriate measure, Burgos pointed out that this is a sovereign decision of the neighboring country. He said: "It is not appropriate for us to criticize it or review it. We believe the step responds to an absolutely specific situation."

The Chilean war under secretary noted that the government's stance on this issue "is specific and clear." He said: "We still believe the (military conscription) system is valid and necessary for our country's defense. This system could be improved, as we have already done, and modernized and adjusted. We believe, however, it continues to have a significant value."

Burgos reported on a call for the first national scholarship contest for defense specialties, seeking to promote university research work on this issue. Chilean university students who are striving for — or have already received — a bachelor of arts degree, a post-graduate degree, or who are working on a paper, seminar, or thesis may participate in this contest.

Opposition Unity Problems Viewed

96P20018A Santiago LA NACION in Spanish 21 Sep 95 p 5

[Commentary by sociologist Victor Maldonado, a member of the Editorial Council: "Problems in the Opposition Alliance"]

[FBIS Translated Text] It is well known that pacts find it difficult to sustain themselves for a long time. This seems to be happening with the right, as UDI [Independent Democratic Union] and RN [National Renewal] are questioning each other's behavior concerning the constitutional reforms and the municipal reform.

Of course, the stumbling blocks are not due to pure ill will between the parties, since the conflicts that have arisen are difficult to resolve. For the same reason, the solution proposed by UDI (consulting with each other about all important decisions), in spite of being the most obvious, does not appear feasible on a daily basis.

For one thing, due to the speed with which decisions are made, it is very unlikely that pact would always operate expeditiously. But even if this were possible, the right

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is bogged down by the time and effort needed to reach agreement in most of the important matters.

For example, after how costly it is for RN to reach an agreement among its members of congress, governing body, and internal sectors, its leaders do not have a lot of energy left for putting those agreements in question again just because UDI is not following the same line.

If the right were not so heterogeneous, and if it respected its formal internal agreements more on a daily basis, it would be able to make timely decisions. But, in practice, the time when a decision needs to be made tends to catch them in the midst of debate, and this great inefficiency always has a high cost.

Likewise, it is surprising that UDI, the party that has shown the greatest ability to adapt to circumstances, is losing this talent, which had seemed characteristic of a group whose size seemed to lend itself to agile decisionmaking. In fact, UDI has acted rigidly lately concerning the agreements, thus gaining an isolation that leads one to predict that the results of the coming municipal elections will not be at all favorable for them.

One must then ask why the right cannot overcome its differences, if the risks it runs by not reaching internal agreements are so great. Of course, although the first thing that stands out is the functioning of the pact, the explanation of the problem does not lie there. Because, although some may say otherwise, on a daily basis the pact itself is not the priority; what the leaders are emphasizing above all is gaining the leadership of the sector.

In this case, RN has taken an important step forward with the municipal agreement and discussion of the agreement on the [constitutional] reforms, because in both cases it gained important points over its partner and rival. With the first, it obtains an electoral system which will give it strong results, since it is the largest sector of the opposition. With the second, it contributes to a rapprochement, which is one of the things public opinion seems to demand of any party it finds trustworthy.

The opposition has not had a common plan. On the contrary; party interests have always predominated, to the extreme of sometimes endangering the existence or at least the electoral strength of the opposition.

The calls to work together now seem like calls to work under the command of a known leader. This is almost the same as death for UDI; thus its rejection of RN's maneuvers. However, regardless of whether what UDI sees in this is true or not, it is true that no one except its own leadership has put the group in its current difficult position. The repeated tactical mistakes are now having an effect, and if they do not take precautions, soon they will find themselves with an internal crisis and external difficulties at the same time, something that few parties would like to face.

What is most ironic is that these parties do not act this way out of wickedness. What is happening is that the electoral system they defend at all costs will end up by killing one of the two or converting one into the eternal subordinate of the other. They are reaping what they sowed.

Colombia

Letter Bomb Goes Off at Italian Embassy; No Casualties

PA1310214095 Mexico City NOTIMEX in Spanish 2055 GMT 13 Oct 95

[FBIS Translated Text] Santa Fe de Bogota, 13 Oct (NOTIMEX) — A letter bomb went off at the Italian Embassy in Colombia today without any reports of casualties or major damage, police sources have reported.

After the blast, police appeared at the scene and redoubled surveillance around the Italian diplomatic mission in light of the possible presence of other explosive devices.

A spokesman for the Colombian police has said an envelope containing the letter bomb went off when opened by embassy staff, but he refrained from saying to whom it was addressed.

Officials at the Italian Embassy refused to provide more information on the blast and said they will issue an official communique on the matter in the next few minutes.

The police spokespersons expressed their surprise at the use of letter bombs, saying this type of attack is unheard of in this country, where nearly all forms of terrorism using explosive devices have been practiced.

Italian Envoy: Attack Against Cooperation

PA1410020695 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 14 Oct 95

[Report by Mauricio Aranguren from the "Seven O'Clock Newscast"]

[FBIS Translated Text] The habit of mailing letter bombs, which has spread terror in several European and U.S. cities, has also arrived in Santa Fe de Bogota. The Italian Embassy was victimized by a terrorist package sent by mail today.

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Mauro Gasbara, who is responsible for Italian cooperation in Colombia, was taken to a clinic at noon today after a letter bomb exploded in his hands. The explosive device, concealed in a manila envelope, seriously injured one of his hands and slightly injured his legs. He is being treated at the Santa Fe Clinic.

Italian Ambassador Francesco Capele believes this attack is one on his country's cooperation:

[Begin Capele recording] This is an attack on Italy's cooperation in Colombia. Dr. Gasbara is a doctor in medicine. [end recording]

He conducted his most recent diplomatic activity in Cali, in health projects.

Italy has signed economic drug fighting agreements with Colombia. Four Italian capos, including Roberto Panuzzi, were extradited from Colombia during Operation Green Ice. According to the ambassador, no threats have been received, but two Italian engineers have been kidnapped and are being held by the National Liberation Army. According to Capele, this incident will not affect the relations between the two countries, but the authorities and the embassy still have not disclosed the name of the sender of the letter bomb.

Police Discover Telephone Tapping Center in Capital

PA1310141295 Mexico City NOTIMEX in Spanish 0909 GMT 13 Oct 95

[FBIS Translated Text] Santa Fe de Bogota, 13 Oct (NOTIMEX) — The Colombian Police discovered a clandestine telephone tapping center and confirmed that the telephone lines of the U.S. Embassy in Santa Fe de Bogota were being illegally tapped.

General Luis Enrique Montenegro, National Police deputy commander, said that the tapping center, found yesterday, was located in an office of an exclusive shopping center of this capital. State-of-the-art equipment to trace communications was found in this office.

On 4 October, Colombian Congressman Carlos Alonso Lucio submitted to Congress a recording of telephone calls between presumed officials of the DEA in which they spoke about a possible plot against President Ernesto Samper.

Such recordings, along with a complaint filed by Interior Minister Horacio Serpa regarding an international plot against the president, triggered a deterioration of diplomatic relations between Colombia and the United States.

The U.S. Government demanded Santa Fe de Bogota to investigate the origin of the recordings, and today, Police agents reached an office in the "Paseo Real" Shopping Center. There, the illegal telephone center, which belonged to the Cali Cartel, was found.

According to Gen. Montenegro, a man identified as Gilberto Mora, also known as "Tocayo" and a right-hand man of brothers Gilberto and Miguel Rodriguez Orejuela — confirmed Cali Cartel leaders — was captured during the operation.

Gen. Montenegro maintained that this man had enough equipment to locate and record the telephone conversations of any important person in any organization, including the U.S. Embassy, where the DEA offices operate in Colombia.

Last August, the Police detected a similar center in the southwestern city of Cali, which led to the arrest — three days later — of Miguel Rodriguez Orejuela.

Montenegro noted that in addition to this illegal tapping center, another three offices were searched in several parts of the Colombian capital, where the police found more equipment for telephone tapping.

"We believe that with this blow, we have dismantled a dangerous espionage network, which was causing great harm to the country and fueling the domestic crisis the government is trying to overcome," the officer concluded.

Cali Communications Head Arrested

PA1310174295 Madrid EFE in Spanish 1507 GMT 13 Oct 95

[FBIS Translated Text] Santa Fe de Bogota, 13 Oct (EFE) — The Police disclosed today that Gilberto Mora Mesa, who was arrested in Santa Fe de Bogota last night, had tapped tens of telephones of government and security organizations and embassies, including the U.S. Embassy. Mora Mesa, also known as "Tocayo," is the presumed head of communications of the Cali Cartel.

"Tocayo" had set up four offices in this capital to tap communications. These offices were located in strategic points, and Mora Mesa coordinated their operations from a commercial building in north Santa Fe de Bogota.

Mora Mesa had tapped the telephone lines of the ministries of Defense, Interior, and Justice, including the lines of the heads of these ministries, as well as those of the directorate of the National Police and other Colombian security organizations.

Only in the Ministry of Defense, "Tocayo" had tapped a total of 25 telephone pairs [pares telefonicos], which is equal to 50 lines, according to remarks by National

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Police Director General Rosso Jose Serrano Cadena. [passage omitted]

"He is a true genius in matters of telephone tapping," stated Gen. Serrano, who, along with Police Deputy Commander Gen. Luis Enrique Montenegro, led the operation to capture Mora.

Serrano added that "Tocayo" was the one who recorded conversations between the DEA chief in Colombia and a DEA official in Washington. The disclosure of these recordings in Congress triggered a strong protest by the U.S. Department of State.

The authorities established that four days before these conversations were disclosed, Mora Mesa visited his "namesake" Gilberto Rodriguez Orejuela in prison. Gilberto Rodriguez Orejuela and his brother Miguel are regarded as the heads of the Cali Drug Cartel.

The Rodriguez brothers, arrested since several months ago by a special force and detained in the Picota Prison in Santa Fe de Bogota, reportedly authorized Mora to hand the recordings to Leftist Congressman Ramiro Lucio. Lucio played the recordings for his colleagues in the Chamber of Representatives.

Serrano explained that they found a telephone map of Santa Fe de Bogota at Mora's office. Among other features, this map contained the exact location of the boxes of the municipal communications service.

The presumed head of communications of the Cali Cartel also had equipment to edit recordings and other devices whose use is restricted and that are not even available to government security organizations.

In slightly less than 12 hours after "Tocayo" was captured, the Colombian Police has discovered the four centers, from which telephones were intercepted.

One of the centers operated in downtown Santa Fe de Bogota, where all the offices of the national government are located. Thirty telephone lines had been tapped from this center.

A second center had been set up in the neighborhood of Teusaquillo, where the U.S. Embassy is located, and from where 20 lines were tapped.

The other two centers operated in Chapinero, another traditional neighborhood in east Bogota, and in El Chico, a wealthy residential area in north Bogota. The first center had tapped 10 lines, while the second one had tapped 15 lines.

Nine Missing After Incursion by Venezuelan National Guard

PA1410192895 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 14 Oct 95

[Report by correspondent Juana Jimenez in Manaure; from the "Cripton Newscast"]

[FBIS Translated Text] Nine Colombians are still missing near the Colombian-Venezuelan border after they were harassed by Venezuelan National Guard members.

[Begin Jimenez recording] Thus far, it has not been determined why the Venezuelan National Guard entered our territory, where nine farmers are missing. The whereabouts of only three of them is known. Moreover, 58 head of cattle and other animals were slaughtered. These pictures are authentic evidence of the Venezuelans' abuse. [Video shows burned huts and dead animals] [end recording]

U.S. Envoy Defends Defense Contract With Swiss Firm

PA1610040995 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 16 Oct 95

[From the "AM/PM Newscast"]

[FBIS Translated Text] On a daily basis, more troubles besiege the contract between the Defense Ministry and the company Swipco. Now the topic is its unconstitutionality:

[Reporter Ana Maria Ruiz] Swipco was founded in Switzerland in 1992 with working capital of 150,000 Swiss franks, or about 120 million pesos, but its economic support comes from majority shareholder Oppenheimer and Company, a U.S. multinational company, which is one of the biggest financial administrators in the world. In the EC's rating system for this type of business, Swipco received the lowest rating, or EE. In its resume, the company has no prior experience in the management of military matters.

[Begin Chamber representative Manuel Ramiro Velasquez] Swipco received the lowest rating, and we thought that was because it was a national [indistinct], we were getting all kinds of guarantees. [end recording]

Despite this, U.S. Ambassador Myles Frechette, in a press communique, endorsed the contract, arguing that Swipco is an experienced international company with similar successful projects. Why does the U.S. Embassy endorse a Colombian Government contract with an alleged Swiss company?

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[Begin Velasquez recording] It has Swiss statutes, but is operated from the United States with this contract. [end recording]

[Begin former state advisor Jaime Betancur Cuartas recording] The advisor, which is a foreign firm, seems to have had access to all Defense Ministry documents. [end recording]

Here, last 15 February, when then Defense Minister Jose Fernando Botero signed the contract with Swipco, Colombian national security was handed over to the Americans, violating Articles 136 and 200 of the Constitution, which protect state secrets.

Police Chief Interviewed at Santiago Police Congress

PY1510030395 Santiago EL MERCURIO in Spanish 8 Oct 95 p D29

[Interview with General Rosso Jose Serrano, head of the National Police, by Constanze Kerber S. during the Second World Police Congress in Santiago, held from 2 to 6 October]

[FBIS Translated Text] [Kerber] Despite all recent achievements, you must still fight influence trafficking, police infiltration, and corruption.

[Serrano] We have thoroughly cleaned up the police department to detect who has been influenced by drug traffickers. We have implemented very drastic disciplinary measures, such as the dismissal of those who do not fulfill their duties. This is new.

[Kerber] How do you deal with the bad international image resulting from the corruption that is supposedly affecting not only high-level politicians, but also parts of the police department.

[Serrano] Corruption exists in all parts of the world. If drugs are shipped out and then taken to other countries, it is because someone in those countries is involved. It is not a Colombian inheritance, because we do not own the world. I think our country has done more than any other country to fight drug trafficking and corruption.

Carry Our Weight

[Kerber] Do you think the United States, as the largest drug consumer, is one of the main culprits for not implementing adequate policies to fight drug trafficking?

[Serrano] My experience tells me that many people are responsible, not only consumers. This is essentially a multinational crime. We could not have cocaine without precursors or trafficking without money.

[Kerber] Or consumers....

[Serrano] They are the final objective. No one has the exclusive responsibility for this problem. All the blame was placed on Colombia until some five years ago. Now people are having second thoughts and thinking that the problem is everyone's responsibility.

[Kerber] Do you, then, think that the solution must come from your country?

[Serrano] I think the solution should come from the United Nations, Europe, or from a forum where all member countries are aware of our problems and commit themselves to cooperate. Of course, we must also carry our weight.

[Kerber] Do you not feel a little lonely, as if you were "scapegoats."

[Serrano] No. We do not suffer from a persecution complex. What I think, with my experience and the many years I have dealing with this problem, is that we must work as a team and look at countries with experience to teach those with little experience so that they can avoid making the same mistakes. Today many countries that did not do anything when they had a chance are suffering the consequences.

[Kerber] Some people say that there is an ongoing silent war between the United States and Colombia. What is your opinion on the subject?

[Serrano] No. I have worked with them a lot, and I can assure you that they have risked their necks, just as we have.

Death Sentence

[Kerber] Do you think the arrest of the Rodriguez Orejuela brothers definitively destroyed the Cali Cartel?

[Serrano] Not only destroyed it; it killed it. I think this cartel is finished. In order to create a family and then such a strong organization, you need some 20 years. Colombian citizens will learn from the experience of the Cali and Medellin cartels and will not form new cartels.

[Kerber] Is there not a risk that the vacant positions will just be taken over by others?

[Serrano] No. People have realized that the money these drug barons obtained only served to land them in jail, or result in their being killed.

[Kerber] Some people think that the downfall of the Cali cartel was a definitive blow to drug trafficking in Colombia. Do you share that opinion, or do you think it is premature to say something like that?

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[Serrano] Talk with the Peruvian police commander. He will tell you that coca prices dropped from $70 to $4. Markets are now dispersed. It has been mentioned that this cartel moved 80 percent of all the cocaine shipped abroad. They can no longer do that from jail.

Ecuador

Duran-Ballen: Countrymen 'Destroying Each Other'

PY1310125795 Quito Voz de Los Andes in Spanish 1200 GMT 13 Oct 95

[FBIS Translated Text] President Sixto Duran-Ballen has accused the Ecuadoran people of destroying each other and of not bearing the country's future in mind.

He said that the Ecuadoreans have destroyed each other, with one calumny after another, one yarn after another, by distorting the truth. He also said that someone has spread a story without thinking about the consequences it will have for the country, and that as a result, Vice President Alberto Dahik has been forced to resign from his post despite the fact that he was acquitted during the impeachment process.

Alarcon: President Must Not 'Interfere' in Other Branches

PY1310133195 Quito Voz de Los Andes in Spanish 1200 GMT 13 Oct 95

[FBIS Translated Text] Fabian Alarcon, president of the Ecuadoran Congress, has summoned a special congressional session on Monday, 16 October, to accept the resignation of Vice President Alberto Dahik.

The session has been summoned for Monday, 16 October, at 1600. As soon as Dahik's resignation has been accepted, another session will be summoned to designate the new vice president.

The Ecuadoran Congress must designate the new vice president by a majority of 39 votes, and will not necessarily have to choose from the names proposed by President Sixto Duran-Ballen. Let us hear Congress President Fabian Alarcon announcing this special congressional session:

[Begin Alarcon recording] One single constitutional provision is currently in effect; namely, the one by which the national Congress must designate, in a free and autonomous manner, the new vice president of the Republic, without any kind of imposition. This, however, does not mean that it is not our moral and ethical duty to meet with the president of the Republic to select the name of the citizen who may be designated vice president of the Republic.

But there can be no interpretations in this regard. There is one single constitutional provision currently in effect, the one I have just mentioned. Therefore, I think it is important that the president of the Republic govern. He must govern until 10 August 1996, as he was elected by the Ecuadoran people, and must solve the country's serious problems, especially the country's electricity and electrification problems, and not interfere in the performance of other state organs. [end recording]

Central Bank Intervenes To Protect Exchange Rate

PY1310140995 Quito Voz de Los Andes in Spanish 1200 GMT 13 Oct 95

[FBIS Translated Text] The Ecuadoran Central Bank has managed to protect the sucre by increasing interest rates and thus prevent nervousness in the market, due to Vice President Alberto Dahik's resignation, from breaking the exchange rate fluctuation band.

The dollar exchange rate closed at three sucres below the exchange band ceiling by reaching a rate of 2,673 sucres per dollar after being one sucre from the maximum allowed level.

The nervousness of the economic agents affected the exchange market since opening hours and forced the Central Bank to increase lending interests rates by 7 percent, thus causing rates to reach 50 percent.

Uncertainty and nervousness continues to prevail in the Ecuadoran financial and banking market, causing the dollar exchange rate to soar to 2,670 sucres [figure as heard] per dollar. The latest political crisis in Ecuador has caused nervousness among foreign and domestic investors, causing the dollar exchange rate to reach its maximum level.

Finance Minister Ivan Andrade has urged the agents to remain calm.

Congress To Choose Duran-Ballen Ally as Vice President

PY1310143795 Madrid EFE in Spanish 0920 GMT 13 Oct 95

[By Aldo Rodriguez Villouta]

[FBIS Translated Excerpt] Quito, 13 Oct (EFE) — Next Monday the Ecuadoran Congress will choose an ally of President Sixto Duran-Ballen to replace Alberto Dahik, who resigned and fled to Costa Rica following the issuance of an arrest warrant against him for presumed corruption.

At least 39 deputies have said that they will support with their vote one of the three candidates Duran-Ballen will propose to accompany him during the remaining 10

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months of his four-year presidential term to avoid experiences of the past, which were characterized by confrontations between the president and the vice president.

Among the deputies who have announced their support are opponents of Duran-Ballen's administration, deputies who have only conditioned their vote on the fact that the president's candidate must be honest, and must generate political consensus and confidence among those operating in the political arena. [passage omitted]

Ana Lucia Armijos and Rodrigo Munoz, president of the Monetary Board — the organization in charge of the economy — and former head of the Superintendency of Banks, respectively, are mentioned as possible Duran-Ballen candidates, and, like others, they have in common the fact that they support the program promoted by Dahik.

Moreover, some analysts agreed over the past few hours that, for that same reason, "some passions" could emerge among opposition deputies, and the candidacy of someone who might try to eliminate the neoliberal model may gain ground.

At the beginning of this year, Congress approved a constitutional amendment proposal to grant full power to the president of the Republic to propose the designation of those three people, but, inexplicably. the text has never been sent to the executive branch for final promulgation.

For this reason, Congress still has the power to choose any Ecuadoran citizen who might obtain the vote of at least 39 deputies, although most deputies seem to support Duran-Ballen's suggestion for "behavior befitting gentlemen," as has been stated, and they also bear in mind that the current administration has less than a year of its term remaining.

To prevent the ultimate election of someone who might end up resuming disputes of the past, Duran-Ballen has decided to maintain a less flexible position and to demand the implementation of the constitutional amendment, although it is not fully in effect because of a mere formality.

In this context, Duran-Ballen has held meetings with Congress President Fabian Alarcon, who has expressed his desire that the president's position be understood and respected, but stated as well that the president must also comply with the congressmen's sentiments against impositions, and value the deputies' predispositions. [passage omitted]

Congress President Rules Out Candidacy for Vice Presidency

PY1310152195 Madrid EFE in Spanish 1411 GMT 13 Oct 95

[FBIS Translated Excerpt] Quito, 13 Oct (EFE) — Ecuadoran Congress President Fabian Alarcon stated today that he will promote a dialogue with the executive branch to designate a new vice president in the wake of the resignation tendered by Alberto Dahik. [passage omitted]

Alarcon added that he is "studying, from the legal standpoint, the position he must adopt" when Dahik's resignation is accepted on Monday, because, according to the Constitution, he [Alarcon] must assume the Vice Presidency in the absence of the incumbent.

"I do not want to create any power vacuum if I have to assume the position in an absolutely temporary manner until Congress names a new vice president," the Congress president said.

He ruled out, however, the possibility of his becoming a candidate to replace Dahik, who is now in Costa Rica awaiting an answer from the government in San Jose to his petition for political asylum.

"I want to fully rule out the possibility that my name will be among those who are candidates for the Vice Presidency. I have been designated president of Congress, and I want to maintain the impartiality required to handle congressional affairs," he said.

Dahik's Resignation Brings 'Relief' to Financial Markets

PY1310173395 Madrid EFE in Spanish 1944 GMT 12 Oct 95

[FBIS Translated Text] Quito, 12 Oct (EFE) — Ecuadoran financial markets, which reacted with "relief" to the resignation of Vice President Alberto Dahik, are now waiting for Congress to designate his successor, hoping that he will maintain the government's neoliberal approach and the economic team.

Ecuadoran President Sixto Duran-Ballen will propose to Congress three names to replace Dahik, among them Ana Lucia Armijos and Ricardo Munoz, who are fully identified with the vice president's economic policy. Dahik resigned and escaped to Costa Rica to evade a warrant for his arrest in a trial on charges of alleged corruption.

Armijos is the current head of the Monetary Board, the organ that directs the economy, while the courts acquitted Munoz on 11 October. A former head of the Superintendency of Banks, Munoz had been charged

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with hindering the investigations in the trial against Dahik. Munoz resigned his post on 26 September.

Today the markets were "relatively stable," despite Dahik's tendering his resignation to Congress on 11 October, shortly after learning about the warrant for his preventive custody, issued by the Supreme Court of Justice (CSJ).

This is what Nathalie Celi Hernandez, the vice president of finances of the "Bankunion Grupo Financiero," told EFE. She added that financial markets have interpreted the resignation of Dahik as "a way out," because "it has brought some relief to this situation" of political crisis.

Hernandez said it is "a very complicated situation, because it involves political events." She said that foreign investment "will remain stagnant until the situation returns to normal, until the government organizes its own structure, and until financial markets recover their confidence."

For this reason, she said, development of the sector will depend "on Dahik's successor, on whether the government's economic team will remain unchanged, on the position of the various political parties, and on the CSJ itself."

Spokesmen for the Quito stock market told EFE that the situation in stock markets was "normal," that "they did not register the drop that might have been expected after the political scandal," and that "fixed profit investments have performed very well, without major drops."

The dollar rate today hit 2,670 sucres, only one point above the rate on the previous day, below the government-established band of 2,673 sucres. Interbank interest rates rose from 48 to 50 percent.

Jay Juliani, a sales agent of the "Interinvest" exchange firm, told EFE that "dollar transactions began with considerable pressure today, but the Central Bank, in a favorable decision, showed its willingness to sell dollars, eliminating the initial nervousness of this morning."

He added that even though "interest rates have risen from a 20-43 band to a 30-50 band," there are indications that "the market is not out of control."

Juliani said that "foreign investors regard Dahik's resignation and his departure from the country as something positive. This gives some relief to economic agents," because "they see that the crisis has reached its climax."

In his opinion, the designation of a vice president will also be very important, and he noted that he preferred the president of the Monetary Board.

The designation of Armijos, probably on 16 October, "will be good news for the banking sector," he added.

He remarked that investors might adopt a position of observation over the next few months, even though "some clients are already looking for opportunities because they believe the worst is over."

The designation of the new vice president is a key issue for the country's economic stability, because Dahik is considered the designer of the government's economic program, as Pablo Lucio Paredes, former National Development Council president, put it. Paredes recommended that the government maintain both its program and its team.

Political, Economic Scene 'Strained'; No Demonstrations

PY1310173595 Madrid EFE in Spanish 1738 GMT 12 Oct 95

[FBIS Translated Text] Quito, 12 Oct (EFE) — Ecuador today is experiencing a very strained moment, both politically and economically speaking, as a result of the fact that an arrest warrant was issued against the now at large Ecuadoran Vice President Alberto Dahik, 42. Moreover, his belongings were impounded, and he subsequently escaped to Costa Rica, where it is hoped he will be granted political asylum.

Developments started to unfold rapidly during the evening of Wednesday, 11 October, after the Supreme Court of Justice (CSJ), which is conducting a penal trial for alleged corruption against the "strong man" of President Sixto Duran-Ballen's government, issued a warrant of arrest. Both Dahik and Duran-Ballen are conservatives.

The mastermind of the Ecuadoran Government's neoliberal economic program, who arrived in Costa Rica in a private aircraft after making a technical stopover in Colombia and after dodging the court decisions against him, submitted his resignation in writing before leaving Ecuador. Technically speaking, Dahik continues to be vice president of Ecuador.

This fact has been insistently upheld by government spokesmen and fellow partisans of the Conservative Party of National Unity (PCUN), headed by Duran-Ballen and Dahik, who reiterate that the vice president is "persecuted for political reasons."

They also maintain that he will continue to be vice president until Congress makes a decision regarding his resignation. Congress' decision will be announced on Monday, 16 October, after which time it will elect someone to accompany Duran-Ballen until the end of

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his four-year presidential mandate, which concludes on 10 August 1996.

Moreover, the political tension is restricted to statements by Dahik's critics and supporters, but it has not lead to public demonstrations, which have been a routine in Latin American countries recently affected by similar problems.

Finance Minister Ivan Andrade has stated that "it is important to note that although we have experienced great 'shocks' [preceding word in English] in the political field, the economy remains stable, which, more than a desire, is a fact sensed by all Ecuadoreans."

Andrade said he was awaiting the reaction of the economic agents and markets, because "politics undoubtedly has its influence, and the currency value is the first aspect to feel it, in addition to interest rates, as has been the case on several occasions.

The finance minister said, however, that he hopes the market will realize that the government's "economic program will decidedly remain unchanged," and that it will react positively.

He added: "The greatest cost in the medium and long term, as a result of the political crisis, is undoubtedly reflected in a lower growth rate. Undoubtedly, if there is no confidence as regards investment, we will not grow." At the beginning of the year, it was estimated that the economy would grow by around 5 percent.

Andrade recalled that during 1995, the Ecuadoran economy suffered the impact of the undeclared war with Peru, "but we endured it. We are now suffering a power crisis, and we are also enduring it; furthermore, we are experiencing a political crisis, from which we will also extricate ourselves."

Moreover, he dismissed any changes in the so-called "economic front" of Duran-Ballen's cabinet and the implementation of corrective measures in that area. Therefore, he reiterated that "there is no reason whatsoever to panic."

Former Diplomat: Government Helped Dahik Leave Country

PY1310184895 Madrid EFE in Spanish 1545 GMT 13 Oct 95

[FBIS Translated Excerpt] Quito, 13 Oct (EFE) — It was asserted in Quito today that former Ecuadoran Vice President Alberto Dahik will obtain political asylum in Costa Rica with the help of the government to which he has belonged since 1992. [passage omitted]

Julio Prado Vallejo, former Ecuadoran foreign minister and member of the UN Human Rights Commission, has stated: "I am sure the (Quito) government arranged for (Dahik's) aircraft to land in Cali (Colombia) and for his presence in Costa Rica, and this is why he already had a 30-day visa."

During an interview with the local radio station Radio Quito, Prado Vallejo added: "All this was arranged at a high (government) level so that Dahik could leave the country without any problems, through contacts made by these high-ranking government authorities with high-ranking Costa Rican authorities."

Prado Vallejo, who is also president of the Ecuadoran Human Rights Commission, said: "I am sure the Ecuadoran Government now views Dahik's asylum with sympathy"; the asylum has still not been granted.

The diplomat said he "was absolutely certain that the official decision will be to grant Dahik asylum. They can't grab him and return him to Ecuador; that would be absurd."

Although he said it was "strange" that Dahik had declared he was being persecuted for political reasons, when the normal thing in these cases would have been for the executive branch to have harassed him, he said that the Costa Rican Government is taking his charges into account.

He explained that when a state grants political asylum, the decision must be respected by the rest of the world, without there being any need to explain the reasons for the decision to grant it.

The Supreme Court of Justice's only alternative is to request Dahik's extradition, which is inappropriate, because there is no agreement in this regard with Costa Rica.

Prado Vallejo added: "That will be almost impossible under the current circumstances because the process is still under way and no sentence has been passed down yet." He also added that — although it may seem contradictory — the fact that Congress acquitted Dahik one week ago in a motion of censure raised against him is "a point in his favor."

Dahik emerged unhurt from an impeachment process under charges of alleged bribery and crimes against national honor.

According to Prado Vallejo, Dahik may remain indefinitely in Costa Rica, although he only has a 30-day tourist visa, due to the asylum request he has submitted to Costa Rican authorities.

Dahik may even "be allowed to work or engage in any profession because someone who has been granted asylum cannot starve to death." [passage omitted]

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CSJ Justices Reject 'Meddling' by Other Branches

PY1310202695 Quito Voz de Los Andes in Spanish 1700 GMT 13 Oct 95

[FBIS Translated Text] Quito — Supreme Court justices today rejected meddling by other state branches in the criminal procedures concerning the handling of secret expenditures by the Vice Presidency. According to a communique issued by the Supreme Court of Justice [CSJ] published by the press concerning investigations of the use of discretionary funds, the judicial branch does not and cannot tolerate any meddling in areas which are of the exclusive jurisdiction of the judicial organizations.

The CSJ has thus publicly established its position after a decree issued by President Sixto Duran-Ballen by which he becomes the sole guardian of the microfilms that contain the bank accounts of the Vice Presidency.

This decree prevents CSJ President Carlos Solorzano from studying the microfilms that have recorded the movements of the accounts handled by Vice President Alberto Dahik.

You have just heard that it is not so, that there is no restriction against Judge Solorzano's seeing those accounts. The CSJ has filed suit against Dahik following an accusation by the opposition of having secret state funds in private accounts.

The microfilms are being kept in the Central Bank's safe.

Dahik Denounces Chief Justice in Resignation Message

PY1310214095 Quito Voz de Los Andes in Spanish 1700 GMT 13 Oct 95

[FBIS Translated Text] In a message to the nation that was never broadcast, Ecuadoran Vice President Alberto Dahik harshly criticized the Supreme Court [CSJ] ruling and announced his resignation.

In his speech, Dahik said: Fellow citizens, I hereby denounce the behavior of the CSJ chief, which is another offense, another infamy, perpetrated against me with the sole purpose of disgracing my name, denigrating my work, and disqualifying me as a politician.

The text of Dahik's speech was published by HOY. The vice president's speech had been announced for 2030 on 11 October but in view of the arrest warrant issued by the Supreme Court, the speech could not be broadcast.

In the speech, Dahik added: CSJ Chief Carlos Solorzano will neither cease in his shameful pursuit nor refrain from adopting other sensational measures with the objective of proving his alleged impartiality.

CSJ Chief Solorzano officially reported that he had issued a warrant of arrest against Vice President Dahik at about 1930, but Dahik had departed for Costa Rica at 1911.

Dahik added: Today I have submitted my resignation to the president of Congress. I do so in hopes that through my resignation Ecuador will regain its peace and with the firm wish that civilian- military ties will comply with the Constitution.

President Denies Having Facilitated Dahik Escape

PA1510145695 Mexico City NOTIMEX in Spanish 0042 GMT 15 Oct 95

[FBIS Translated Text] Quito, 14 Oct (NOTIMEX) — Ecuadoran President Sixto Duran-Ballen denied today having known that former Vice President Alberto Dahik had been requesting asylum from a specific country as well as his departure from the country.

Duran-Ballen said he did not know about the departure of the former official, accused of embezzlement, even though he had spoken with Dahik about the possibility of seeking political asylum before a friendly nation in view of the internal situation.

"I want to indicate that the decision to leave the country was made by the vice president in the face of an adverse situation, in which he thought he could defend himself better while outside the country than inside, where he would be stripped of his freedom," he said.

Duran-Ballen denied media reports saying that the president had asked his Costa Rican colleague Jose Figueres to grant asylum to Dahik on Friday, 13 October.

On Thursday he received a call from Costa Rican President Jose Figueres when he was not in his office, so he returned the call made by Figueres, who noted that Dahik had requested asylum.

It is an exclusive decision made by the Costa Rican Government, which did not require the Ecuadoran president to intervene, he said.

Duran-Ballen also denied that he had asked the former vice president to resign at the request of the Armed Forces, which had even pressured him with coup threats if he did not accept.

"That is absolutely false. It was my decision as all the decisions I have made in the last three years," he replied.

Refining Plant Imports Colombian Crude Oil

PY1210151095 Quito Voz de Los Andes in Spanish 1200 GMT 12 Oct 95

[FBIS Translated Text] Ecuador will import 395,000 barrels of Colombian crude oil of 29.3 degrees API (American Petroleum Institute) to produce premium gasoline at the La Libertad refining plant.

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It has been disclosed that this is the (?first) time crude has been imported by the country since it became a petroleum producer and exporter in 1972.

With this import, Ecuador will cover La Libertad refining plant's deficit of light crude oil. This plant is unable to produce premium gasoline in compliance with technical specifications.

Peru

Daily Views Need for Plan To Substitute Coca

PY1310161095 Lima LA REPUBLICA in Spanish 28 Sep 95 p 20

[Editorial: Are We Tied Up?]

[FBIS Translated Text] Some statements by President Alberto Fujimori during his 28-hour visit to Bolivia confirm a known situation: That producer countries are struggling almost alone against drug trafficking due to an obvious reticence of the consumer countries to allocate funds for the development of alternate crops.

We are thus wasting the most favorable situation in many years to wipe out the overwhelming coca plantations in vast areas of Peruvian territory, among them the Huallaga valley. With its 108,000 hectares of coca plantations, Huallaga is considered the coca empire of the world.

This situation surfaced following the unprecedented drop in the price of an arroba of coca, which has placed many peasants who live off coca in a desperate situation. By comparing prices one can get an idea of what is happening: last year each arroba fetched 130 soles, today it fetches 5 soles.

No profit can be made with that price because the peasants have to pay the coca pickers and use the rest to keep their families.

It is believed that coca prices dropped as a result of the effective blows struck by President Ernesto Samper's administration against the Cali Cartel — all but one of whose leaders are behind bars. It is unlikely this powerful criminal organization will disappear, but during its reorganization it has noticeably reduced the frequency of the flights of planes into our jungle.

The other reason is less circumstantial, so it is more worrisome for those who live off coca plantations. The other reason is the over-saturated market; in Colombia there are 100,000 hectares of coca plantations which, due to their location, have precedence when the time to market them comes.

One wonders now if we will continue to be the top coca producing country in the world or if the so-called "coca economy" will prevail. For many years, coca production has provided a living for many people who, according to some, total between 800,000 and 1 million and whose income is already dropping significantly.

This price drop may be temporary — in fact the situation is slightly better than a couple of months ago — but it still looks pretty desperate for some federations of peasant patrols — everyone knows they live off coca production — who are considering staging marches in search for aid.

This aid may never by granted by the state, which has Enac [National Coca Enterprise] warehouses bursting with coca. Thus, the purchase of coca at subsidized prices is out of the question. This aid, however, could be granted through the promotion of alternative plantations.

All experts on trafficking agree that the moment is propitious to get the peasants engaged in alternative plantations, which in the past had no chances of success for the simple fact that they were not profitable. None of those plantations could compete with the profit made by coca plantations which, is some parts of the country yield three harvests per year.

The situation now has changed and one can preach about the advantages of planting coffee, cocoa, colored [pardo] cotton — there are good examples of sales abroad at good prices of this variety of Peruvian cotton — or palm oil. Even planting rice and corn may be profitable.

The problem is economic. Converting coca plantations has a cost that the Peruvian state cannot shoulder, because it not only entails providing seeds, fertilizers, technology. It is a matter of providing the peasant with a profitable market and roads to enable to get their products to the coast.

In Bolivia, President Fujimori once again insisted on the theory of shared responsibility ("if there is a supply it is because there is a demand in consumer countries,") and it is the duty of the rich countries to contribute to the effort being made by coca producing countries to eradicate and replace these plantations.

This theory, which in general terms is exact and fairly fair, is not popular in developed countries that are more willing to punish than to persuade. This is why it is easier to obtain military aid to repress drug trafficking than funds for alternative crops.

The chief of state also said that, as far as the United States is concerned, it has cut to only $15 million its cooperation to fight drug trafficking. As for alternative crops, a $30 million donation has been offered.

It is true that not all doors have been knocked on. We should see if can get European countries enthusiastic

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about donating resources that could be administered by some non-government organization.

The Peruvian Government should also start some pilot alternative development projects because some potential donors may be unconvinced until they see results.

Anything is better than a lack of action in this field. It is not enough to persecute drug traffickers, destroy landing strips, planes, maceration pits, and laboratories. A great effort must be made to show Peru and the rest of the world that there is a political will to reconvert coca growing peasants. If not, all that remains is a long wait until the coca cycle definitely ends.

Bimonthly Publishes Annual Political Power Poll

96P20019A

[FBIS Media Note] The Lima bimonthly periodical DEBATE published in August its fifteenth annual poll on political power and related issues such as the efficiency or inefficiency of government agencies, public corruption, and the relative strength of opposition leaders.

There were no surprises or great variances from last year's power poll, except for the inclusion of a woman among the top ten, the exclusion of the Shining Path's leader from the top 30, and the appearance of a fortune-teller. Opposition leaders and intellectuals were seen as being less influential than before, if not outright nonexistent. The poll indicated a growing optimism in Peru.

Power

Not surprisingly, ranking highest in power were: (1) President Alberto Fujimori; (2) presidential adviser Vladimiro Montesinos; (3) Commander of the Armed Forces Nicolas Hermoza; (4) Jaime Yoshiyama, until July 1995 president of the Democratic Constituent Congress (CCD) and currently a candidate for the mayoralty of Lima; (5) Santiago Fujimori, the president's brother; (6) Finance Minister Jorge Camet; (7) CCD President Martha Chavez; (8) Javier Perez de Cuellar, leader of opposition party Union for Peru (UPP) and former UN secretary-general; (9) business tycoon Dionisio Romero; and (10) Congressman Victor Joy Way of the ruling party, New Majority-Change 90 (NM-C90).

This ranking closely resembled last year's DEBATE poll, with the exception of two newcomers: Congresswoman Chavez as the first woman to rank among the 10 most powerful since 1981, and Congressman Joy Way. Dropped from the top 10 list were Lima Mayor Ricardo Belmont and Bishop Ricardo Durand of Callao. It was also the first time since 1982 that imprisoned Shining Path leader Abimael Guzman did not rank among the 30 most powerful.

Influence

The front-runners of the power poll reappeared, slightly scrambled, in the poll on those perceived to have the most influence with President Fujimori: (1) brother Santiago Fujimori; (2) adviser Vladimiro Montesinos; (3) General Hermoza; (4) mayoral candidate Yoshiyama; (5) Finance Minister Camet; (6) Congresswoman Chavez; and (7) Congressman Joy Way.

DEBATE noted that a "high percentage" of respondents did not perceive intellectuals as having any influence, and that a fortune-teller, whose services the president is believed to have sought, ranked as number 18 among those influencing Fujimori.

Congress

Considered to be the "most influential members of the new Congress" were: NM-C90 members Martha Chavez (1) and Victor Joy Way (2); (3) Popular Christian Party (PPC) leader Lourdes Flores; (4) Carlos Torres y Torres Lara, second vice president of the Congress; and (5) Fernando Olivera, Independent Moralizing Front.

Opposition

DEBATE reported that UPP leader Perez de Cuellar (with 28 congressional seats), PPC leader Lourdes Flores (5 congressional seats), and Henry Pease of the UPP, who had switched allegiance from the Democratic Movement of the Left prior to this year's parliamentary election, were judged to be the leading opposition leaders. The periodical noted, however, that a "high percentage" of those polled "did not consider there to be any opposition."

Successes and Shortcomings

The fight against terrorism, stabilization of the economy, and Peru's reinsertion into the international financial world were considered the main successes of Fujimori's first five years, combined with a sense of his having "created optimism in the country." The self-coup, the handling of the war with Ecuador, a "lack of social support," and the promulgation of the Cantuta and amnesty laws, which benefitted military personnel suspected of human rights abuses, were seen as the major shortcomings of the Fujimori regime.

Future Challenges

Asked which challenges the new government should address, respondents replied, again not surprisingly: jobs creation, poverty, the "absolute destruction of terrorism," increased exports, and education.

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Approval of the government's economic policy and a sense of optimism were evidenced by an impressive 95-percent support for continuing the economic policy, by 86 percent not believing there would be a military coup between 1995 and the year 2000 (although 84 percent thought the Armed Forces had more than "the normal" amount of power), and by 61 percent saying they did not believe there would be a terrorist resurgence in the next five years. Optimism regarding the military's staying out of politics was up by 26 percent from one year ago.

Corruption, Efficiency, and Inefficiency

As in 1994, the judiciary and the National Police had the dubious honor of being deemed both the most corrupt and the most inefficient institutions. The Armed Forces was named as one of the most corrupt for the third consecutive year.

The Peruvian Institute for Social Security (IPSS), which in 1994 had been named one of the most inefficient institutions, this year was declared the second most efficient one, surpassed only by the National Tax Administration (Sunat).

Polling

The questionnaires were sent to 1,000 people, "representative of various spheres in Peruvian society," with 412 responding. According to DEBATE respondents represented "politics, business, the military, professionals, and intellectuals." DEBATE is owned by the consulting and polling firm Apoyo, which conducted the survey.

Uruguay

Government To Seek Accord on Debt During Castro Visit

PY1310162095 Madrid EFE in Spanish 0113 GMT 13 Oct 95

[FBIS Translated Text] Montevideo, 12 Oct (EFE) — During Fidel Castro's 36-hour visit, which will begin tomorrow, 13 October, the Uruguayan Government will try to have Cuba outline a program of payments pertaining to the $35 million that it owes for exports that were made to the Caribbean island between 1989 and 1994.

Relations between the two countries were normalized on 17 October 1985 during the first administration of President Julio Maria Sanguinetti; ties had been broken on 8 September 1964. Trade between Uruguay and Cuba has been marked by "figures in the red," thus revealing the multiple difficulties that Fidel Castro's government has in complying with its international commitments.

Up to June 1994, Uruguay had exported to Cuba products amounting to $5,765,000 and Uruguay's imports from that island amounted to $7,500,454.

Cuba's debt amounts to $35 million, and the lines of credit were closed. Moreover, up to the present time, Uruguay has not been able to have Cuba's National Bank service the debt, even with sugar, a product that it imports from the island.

In remarks to the local media on his country's debt, Manuel Aguilera, the Cuban ambassador in Montevideo, said that "the Uruguayan Government understands that we are not in a position to pay the debt immediately."

"Through the resumption of trade, we are trying to see whether a part of the exports to Uruguay can be used to service the debt," he said.

"Another option would be for us to provide some services of interest to Uruguay, and have the payment for them credited to the debt," he added.

According to the diplomat, Cuba can provide services in the area of dredging of ports, in the health sector, and "in the maintenance of power lines, in which we have some experience."

Sanguinetti To Propose Papal Visit to Cuba to Castro

PY1310164695 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1524 GMT 13 Oct 95

[FBIS Translated Excerpt] Montevideo, 13 Oct (AFP-NA) — The media sources close to the head of state revealed on 13 October that Uruguayan President Julio Maria Sanguinetti will propose to his Cuban colleague, Fidel Castro, the need to receive the head of the Catholic Church, Pope John Paul II, in his country.

The weekly LA PRENSA, the most recent issue of which has hit the stands, and which is close to the Colorado Party (the governing party), reports that Sanguinetti will bring this topic up when he meets with Castro on 14 October within the framework of an official 37-hour visit that the Cuban president will begin today in Montevideo.

A visit by the Pope to the Caribbean island has been a source of controversy for the past few years, but recently relations between the Holy See and Havana have made considerable improvement.

Official sources that were consulted about an eventual proposal regarding a papal visit stressed that "only they (Castro and Sanguinetti) know what they are going to talk about. [passage omitted]

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Government Expects Castro Visit To End Cuba's Isolation

PY1310202795 Madrid EFE in Spanish
1644 GMT 13 Oct 95

[Report by Jorge Figueroa]

[FBIS Translated Excerpt] Montevideo, 13 Oct (EFE) — The Uruguayan Government "aspires to end Cuba's isolation from the international community." This is precisely the purpose of Fidel Castro's state visit to Uruguay which the Cuban leader is beginning on 13 October and which the United States has approved of.

President Julio Maria Sanguinetti's invitation to the Cuban leader to visit Uruguay aroused a lot of controversy in the Oriental Republic and opposing views ranging from heartiest congratulations to pointed rejections.

Government spokesmen told EFE that the Uruguayan head of state's stance is not new to anybody since his opposition to embargoes is proverbial.

The Oriental Republic of Uruguay has, on numerous occasions and under different administrations, voiced opposition to the embargo on trade with Cuba imposed by the United States more than 30 years ago. It recently confirmed this position at the UN General Assembly.

In his book "Fear and Impatience," published four years ago, Sanguinetti said: "In order to open up a regime there is nothing more efficacious than — please excuse the redundance — to engage in an opening drive. By cutting it off, leaving it to its own devices, one only consolidates such a regime first and foremost because that enables the regime in question to clothe itself in the nationalist banner of those who are attacked from abroad, and secondly, because isolation cripples those who are far removed from power and have not the means to express themselves."

Government sources reported that the Uruguayan Government "does not expect any specific results" from Castro's 37-hour visit to Montevideo. The same sources added that it "does expect, however, that it will contribute to ending Cuba's international isolation." [passage omitted]

Cuban-American Group Said Planning Anti-Castro Protests

PY1310173295 Buenos Aires TELAM in Spanish
1528 GMT 13 Oct 95

[Reported by unidentified correspondent]

[FBIS Translated Excerpt] Montevideo, 13 Oct (TELAM-SNI) — The Uruguayan police are trying to pinpoint the whereabouts of seven anti-Castro Cubans who entered the country some days ago with the purpose of carrying out a protest against Fidel Castro, who today begins an official visit 36-hour visit to this country. [passage omitted]

The independent weekly BUSQUEDA of Montevideo reports today on its front page that 10 Cubans, some of them with U.S. passports, entered Uruguay during the past 10 days, according to the Migrations Directorate. Three of them were located in a hotel in downtown Montevideo.

The weekly, which cites unidentified police sources, indicates that there is "concern" within the local police force because, according to information in its hands, a Cuban-American anti-Castro group from Miami indicated that it wants to organize a protest against Castro in the countries that he is going to visit during the next few days.

Silcar Lara, the national deputy director of information and intelligence (DNII) of the police, today confirmed that three Uruguayan "rightist" and "ultra-rightist" groups that intend to publicly protest Castro's arrival" [quotation marks as received] were investigated during the past few hours.

Lara indicated that an "ultra-rightist" organization that was contacted by the police has proposed a "sit-down protest" in the Belmont House Hotel of this capital, where Castro is presumably going to be lodged.

'Security,' 'Mystery' Surround Castro's Visit

PY1310213195 Buenos Aires TELAM in Spanish
1708 GMT 13 Oct 95

[FBIS Translated Text] Montevideo, 13 Oct (TELAM-SNI) Cuban President Fidel Castro will arrive in Montevideo today to begin an official visit to the country that in principle will last 36 hours. The visit is surrounded by gigantic security measures and a long negotiated agenda that no one knows whether it will be fulfilled.

Two Cuban planes will land at the Carrasco International Airport in Montevideo; no one knows exactly at what time, but Castro will arrive in one of them (no one will know in which one until the very last minute).

Although Castro personally told Uruguayan diplomats that he will respect the protocol, there are several points in his agenda that have not been confirmed yet.

It is not known for certain whether Castro will hold a news conference, whether he will follow his agenda, or whether he will sleep at the "Belmont House" Hotel in this capital, where the Cuban delegation has booked several rooms.

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Mystery seems to surround the visit of the Cuban president. His arrival is scheduled to occur around 1800 [2100 GMT]. He will be received by Acting Foreign Minister Carlos Perez del Castillo, three other ministers, and some 100 persons, 50 of whom are security agents.

Sixteen policemen — eight Cubans and eight Uruguayans — will cover his back while 500 agents will guard rooftops, film Castro's visit, inaugurate security fences, and will be deployed wherever Castro goes.

The Uruguayan police classified Castro's visit as "high risk." Security around the Cuban president will be the second largest ever in the country, even larger than what was deployed in 1990 when then U.S. President George Bush visited Uruguay.

The Cuban head of state allegedly rejected an armored car. He will move through Montevideo's streets in a "Rover" that belongs to the Uruguayan Presidency and will be escorted by other nine vehicles.

Other mystery surrounding the Cuban president's visit is where he will sleep the two nights that he will be in Uruguay because in Havana it is usually said that he does not sleep two nights in a row in a single place.

The Cuban delegation, besides making the reservation of several rooms in the luxurious "Belmont House" Hotel located in the residential Montevideo neighborhood of Carrasco, has made reservations in three other hotels and one motel located on Montevideo's sea coast.

Among Castro's confirmed activities is a reception offered by President Julio Maria Sanguinetti at the old Government House in Montevideo. One hundred guests have been invited to this reception.

Two of the people invited to the reception, former President Luis Alberto Lacalle (1990-1995) and Jorge Pacheco Areco (1967-1971), have announced that they will not be attending because they are opposed to the Cuban regime.

Castro will visit the Uruguayan Congress tomorrow. He will be received by members of the Congressional International Affairs Committee because of the decision not to convene a joint session of Congress, as is traditional when a head of state visits the country.

Vice President Hugo Batalla decided not to convene the General Assembly after several legislators opposed to the Cuban regime announced that they will not attend the ceremony and the risk that the Assembly could not hold a session due to a lack of a quorum.

Reportage on State Visit by Cuba's Fidel Castro

Castro Arrives 13 Oct

PY1310215895 Madrid EFE in Spanish
2132 GMT 13 Oct 95

[FBIS Translated Text] Montevideo, 13 Oct (EFE) — Cuban President Fidel Castro arrived in Uruguay today on a state visit, which will last until the early hours of 15 October. Castro will then travel to Bariloche (Argentina) to attend the Fifth Ibero-American Summit of Heads of State and Government.

Castro first visited Uruguay in 1959 shortly after the triumph of the revolution that took him to power. The Cuban leader's plane landed at Carrasco International Airport at 1825 local time (2125 GMT).

Uruguayan Acting Foreign Minister Carlos Perez del Castillo received the Cuban head of state at the airport. Castro will go from the airport to the hotel where he will stay during his visit to Uruguay.

Castro 'Deeply Moved' by Visit

PY1310225595 Madrid EFE in Spanish
2205 GMT 13 Oct 95

[FBIS Translated Excerpt] Montevideo, 13 Oct (EFE) — Cuban President Fidel Castro today said that he felt "deeply moved by my return to Uruguay." Those were Castro's first words after stepping out of the plane which took him from Havana to the Carrasco International Airport, Montevideo, where he began a 36-hour official visit to the country.

"I want to tell you that I feel deeply moved by my return to Uruguay. I wish to send warm and fraternal greetings to the Uruguayan people," the Cuban leader said from the airstrip, where he was received by acting Foreign Minister Carlos Perez del Castillo.

This is Castro's second visit to Uruguay. The first time was in 1959, shortly after the victory of the Cuban revolution. This trip occurs four days before the 10th anniversary of the resumption of diplomatic relations between the two countries. [passage omitted]

Castro Lays Wreaths at Monuments

PY1410235195 Madrid EFE in Spanish
1354 GMT 14 Oct 95

[FBIS Translated Text] Montevideo, 14 Oct (EFE) — The president of Cuba, Fidel Castro, began, in the early morning hours of 14 October, a busy agenda for the second day of his visit to Uruguay, participating in ceremonies to pay tribute to Uruguayan hero Jose Artigas and Cuban hero Jose Marti.

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Fidel Castro and his entourage punctually arrived at 0930 (1230 GMT) today at the Independencia Square in downtown Montevideo to lay a wreath at the Artigas monument.

Between 500 and 1,000 people surrounded the monument, expressing their support for the Cuban revolution, with flags from the Communist Party of Uruguay and the leftist coalition Broad Front.

A conspicuous banner of the International Committee for Supporting the Revolution [Comite Internacional de Apoyo a la Revolucion] was carried by some youths, while a Blandengues de Artigas regimental escort accompanied Fidel Castro and his entourage during the ceremony at the Uruguayan hero's mausoleum.

During Fidel Castro's visit to the Independencia Square, some people were chanting old slogans on the workers' struggle, "resistance to the Yankees," and support for Cuba. These chants were heard in Montevideo yesterday evening while Castro was dining with Uruguayan President Julio Maria Sanguinetti in the presidential residence, which is located across the street from the Independencia Square.

The people present were able to remember the well-known slogan: "It will end, it will end" that was chanted during the demonstrations against the Uruguayan military dictatorship (1973- 84). However, the slogan's final passage was changed, taking into account a current circumstance, into: "The criminal blockade."

Fidel Castro's entourage quickly left the square for the Cuba Square in Montevideo, where a similar ceremony was held at the Marti monument.

'Symbolic Protest' Against Arrival

PY1410192195 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2332 GMT 13 Oct 95

[FBIS Translated Text] Montevideo, 13 Oct (AFP-NA) — In the afternoon of 13 October, a few dozen persons gathered in front of Cuba Square, for a symbolic protest against the arrival in Uruguay of Cuban President Fidel Castro on an official 37-hour visit.

Among the demonstrators were several former lawmakers, former ministers, and former state-run company directors of the traditional (Blanco and Colorado) parties, as well as unidentified demonstrators bearing badges reading "Get out, Fidel."

Former Interior Minister Angel Maria Gianola said that "we are here just because we had to stage a symbolic demonstration to protest the presence of Fidel Castro in Uruguay."

Gianola said that the presence of Castro in Montevideo "reminds us of a very unfortunate time, because we cannot forget that the Cuba of Fidel Castro gave arms to Uruguayans, leading them to terrorism, violence, and to the use of methods that caused the blood of many fellow Uruguayans to be shed."

The former minister said that the Cuban president "is a man who has caused so much harm, not only to the Americas and Cuba, but even to our own country."

On referring to the Cuban human rights record, Alexander Torres Mega — the main speaker at the demonstration — said that "the island has become a big jail whose warden is Fidel Castro, the official guest of Uruguayan President Julio Sanguinetti."

The demonstration was staged precisely in front of the area where the Cuban head of state will lay a wreath at the monument to Cuban hero Jose Marti tomorrow.

During his stay in Uruguay, Castro will have a busy agenda, which includes a private meeting with Sanguinetti, visits to Congress and to the Supreme Court, a ceremony during which he will receive the keys of Montevideo, and a news conference, among other activities.

The Cuban president may unofficially visit Liber Seregni, the leader of the Broad Front, a leftist coalition. Seregni is recuperating from a bout with viral hepatitis.

In the morning of 15 October, Castro will depart for San Carlos de Bariloche (Argentina), where, on 16 and 17 October, he will attend the Fifth Summit of Ibero-American Presidents and Heads of State.

Reception by Government, People 'Cold'

PY1410022895 Madrid EFE in Spanish 2353 GMT 13 Oct 95

[Report by Alberto Pepe Leira]

[FBIS Translated Text] Montevideo, 13 Oct (EFE) — Fidel Castro, arrived today in Uruguay for a 36-hour official visit. He received a reception from the government and the people as cold as Montevideo's afternoon as a consequence of the controversy unleashed by his presence and the security services' demands.

The 46-km per hour wind, which created a windchill factor close to zero degrees [Centigrade], added to the police cordon that kept the public far from the airport, contributed to give the ceremony a feeling far from what is traditional in Uruguay.

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The "low profile" on Fidel Castro's arrival kept by the most important Uruguayan newspapers was added to the reception's lack of warmth.

The delegation arrived in two Soviet-made planes that belong to Cubana de Aviacion. The planes landed at the Carrasco International Airport seven minutes apart from each other.

The main Uruguayan airport, which was closed for two hours for security reasons, looked totally deserted.

The people were kept 5 km away from the airport and only airport officials, Uruguayan authorities, some 50 journalists, and the police and military guard could see Castro up close.

The Cuban president, dressed in his traditional and impeccable olive green uniform, stepped out of the plane at 1830 (2130 GMT) and walked 15 meters on a red carpet extended on the airstrip to meet with acting Foreign Minister Carlos Perez del Castillo who welcomed him.

A guard of 20 Air Force soldiers, without flags and at a bugle call, escorted Fidel Castro who walked to the microphones located in front of a stage prepared for journalists. In a little more than a minute Castro expressed that he was "deeply moved by my return to Uruguay."

Fidel Castro visited Uruguay 36 years ago. On that occasion he was received with full honors for his revolutionary victory, when he still did not say he was a "Marxist-Leninist."

"I want to tell you that I feel deeply moved by my return to Uruguay. I wish to send warm and fraternal greetings to the Uruguayan people," Castro said.

When he finished his short and improvised remarks some persons accredited among the journalists as members of the "Uruguayan-Cuban Friendship House shouted viva from the stage: "Viva free Cuba," "Viva Fidel," and "Viva Cuba."

Fidel Castro walked to the airport's VIP hall, from where he stepped into a car that drove him to the hotel where he will stay in Uruguay.

Various hundreds supporters of the Cuban regime, with flags of the National Liberation Movement of the former guerrilla movement Tupamaros, the Communist Party, and the People's Participation Movement — representing the Uruguayan far Left — waited for the passage of the motorcade at the main avenues exiting the airport but failed to see Castro because the line of official cars taking him took a lateral road from a nearby military air base.

Fidel Castro was able to see his followers and the flags after crossing the bridge over the Carrasco stream that divides the municipality of Canelones from Montevideo.

Flags from the leftist coalition Broad Front mixed with the flags of the Uruguayan Communist Party and improvised placards welcoming Castro.

The motorcade shortly afterwards arrived at the hotel where Castro will stay and that he will share with other guests because the Cuban delegation did not reserve all the rooms.

The luxurious hotel for executives Belmont House has a refined English style and is located in the Carrasco neighborhood, where Montevideo's high class lives, some 18 km from the airport. The hotel was cordoned off by security agents who tried to keep some 200 people who greeted him and shouted "welcome" far from the place where the Cuban president had to step out of his car.

Fidel Castro will meet with President Julio Maria Sanguinetti tonight during the official reception at the presidential Independence Palace, in downtown Montevideo.

Castro Meets Sanguinetti; Agenda Noted

PY1410023495 Montevideo Radio Carve in Spanish 0000 GMT 14 Oct 95

[FBIS Translated Excerpt] Cuban President Fidel Castro arrived in Uruguay at around 1800. Radio Carve sent Reporter Jorge Vignola to cover Castro's arrival. I am handing you over now to our correspondent Jorge Vignola. Good evening, Jorge.

[Vignola] Good evening, Leonardo Galante. I would like to tell you that Cuban President Fidel Castro arrived at Government House 30 minutes ago, at 2030 [2330 GMT]. He was received by President Julio Maria Sanguinetti. This is the first meeting between the two heads of state. They are going to meet again tomorrow at noon at the El Prado presidential residence and in the evening at a banquet Fidel Castro will host in honor of the Uruguayan president.

It is now 2110 GMT. Castro is holding a meeting with President Sanguinetti and he will then dine with several political leaders including the Uruguayan president, Vice President Hugo Batalla, Alberto Volonte [Blanco Party Executive Committee chairman], and their respective wives. [passage omitted]

The Cuban president will have a very busy agenda tomorrow. At 0930, Castro is scheduled to lay a wreath at Jose Gervasio Artigas' monument in Independencia Square and one-half hour later, he will lay another

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wreath at the bust of [Cuban poet and writer] Jose Marti in Cuba Square. At 1030, the Cuban head of state is to meet with his Uruguayan counterpart behind closed doors at the presidential residence. At noon, Castro will go to Congress, where he is slated to meet with the vice president and members of the foreign affairs committees of both chambers. At 1500 local time, Castro is to visit the Montevideo Town Hall, where he will be made freeman of the City of Montevideo by Mayor Mariano Arana. Shortly after 1600, the Cuban president is to hold talks with the Supreme Court chief justice and the other Supreme Court justices. Castro will wind up his working day with a new conference, which is to be held at the auditorium of the Technological Laboratory of Uruguay at 1700.

In the evening, the Cuban head of state will host a reception in honor of Uruguayan authorities. Castro is to depart for Bariloche at 0700 on 15 October. The Cuban leader and his entourage, which includes three ministers, came aboard two Cuban Airlines carriers.

Sanguinetti Requests Help on Embargo

PY1410190995 Buenos Aires TELAM in Spanish 0319 GMT 14 Oct 95

[Report by unidentified correspondent]

[FBIS Translated Text] Montevideo, 13 Oct (TELAM/SNI) — The Uruguayan president, Julio Maria Sanguinetti, today asked his Cuban counterpart, Fidel Castro, to help enable Uruguay to contribute to the ending of the U.S. blockade against the Caribbean island.

Castro responded by telling Sanguinetti that he will not promise to implement "a market economy" in Cuba, and that he will be unable "to please President Sanguinetti in everything," but emphasized that he "would please him in many, many things."

Sanguinetti and Castro talked tonight during a dinner that the Uruguayan president hosted to honor the Cuban head of state shortly after his arrival in Montevideo.

Sanguinetti noted that Uruguay, "following its long-standing democratic tradition and its freedoms," welcomes the Cuban president "to hold frank and mature talks on international issues, our bilateral relations, and our views of the Americas."

Sanguinetti pointed out that these talks are being held "between two different political systems and two different ideologies."

Sanguinetti emphasized that "the blockade against Cuba, which has never been justified, now appears as something anachronistic within the current context of a changing world."

Sanguinetti emphasized that Uruguay's "stance has been against this blockade." He indicated: "We do not intend to meddle in the political problems of any state."

Sanguinetti told Castro: "We are merely asking you to help us, enabling us to contribute." He added: "We want to contribute, to help in overcoming — achieving a substantial lifting of — the blockade against Cuba.

For his part, the Cuban president remembered his former visit to Uruguay in 1959, shortly after the revolution's victory. He said: "It seems that 36 years ago we were discussing today's issues."

Castro added that those "were happy times" because "we did not have a foreign debt."

Castro emphasized: "We know the price that has to be paid for liberty." He added: "We have been struggling for liberty, dignity, and social justice, against a country that has become used to giving order in our hemisphere."

The Cuban president stressed: "I hold the same beliefs I held 35 years ago."

Castro told Sanguinetti: "We will cooperate." Nevertheless, he indicated: "I will not promise you that we will implement a market economy."

Sanguinetti, Castro View Blockade, Debt

PY1410195195 Madrid EFE in Spanish 1627 GMT 14 Oct 95

[FBIS Translated Text] Montevideo, 14 Oct (EFE) — The president of Uruguay, Julio Maria Sanguinetti, and the president of Cuba, Fidel Castro, today discussed the U.S. blockade of the island, the possibilities of relaxing this blockade, and the resolution of Cuba's outstanding $35-million debt with Uruguay.

Official sources told EFE that a preliminary agreement has been achieved for Cuba to settle this commercial debt [deuda comercial], which was contracted in the 1980's, with medicines and work by experts specializing in river dredging.

Sanguinetti and Castro, who began an official visit to Uruguay on 13 October, held a two-hour meeting at the Suarez presidential residence. They were joined by Uruguayan Foreign Minister Alvaro Ramos and Cuban Foreign Minister Roberto Robaina.

It was leaked from reliable sources that the Cuban president expressed thanks for Sanguinetti's invitation to visit Uruguay, and hinted that this invitation has had a positive impact on the attitude of other countries toward Cuba.

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As indicated by Castro's statements in the book of honor at the Suarez presidential residence, the atmosphere during the meeting was very warm and cordial.

The Cuban president pointed out that he will always have "a fond memory" of a visit in which he was received with "such hospitality and affection by the president and Marta (Canesa, the wife of President Sanguinetti)."

Castro and Sanguinetti's grandchildren were photographed in the garden of this "lovely place," as Castro described the presidential residence.

The Cuban president left the presidential residence for Congress, where he met deputies and senators from the international affairs committees of the two chambers.

Sanguinetti, Castro Speak at Dinner

PY1510002695 Buenos Aires Radio Nacional Network in Spanish 2005 GMT 14 Oct 95

[Report by unidentified journalist in Montevideo]

[FBIS Translated Text] The people have been following Fidel Castro's activities in Montevideo since he arrived here.

After his arrival by plane and after resting at his hotel, Fidel Castro went to the Esteves Palace, where President Sanguinetti hosted a dinner for him. And the people followed Castro. [chants: Cuba yes, Yankees no]

There is Fidel, greeting the people. Fidel already wears a black suit, white shirt, and a tie appropriate for his suit. He has already dropped his olive green uniform.

There, the presidents of Cuba and Uruguay meet for the first time. [chants: Fidel, our friend, the people support you]

[Begin recording] [Sanguinetti] Moreover, the blockade against Cuba, which, according to our principles, has never been justified, now appears as something anachronistic within the current context of a changing world.

Our country's stance has been one of opposition to this blockade. This stance has been upheld by our administration. It was upheld by the past administration, and was also upheld by our previous administration. This has been our country's stance in the name of our own principles and our own experience with regard to international law.

[Castro] Latin America as whole witnessed our own experience, and our own beliefs also gradually evolved.

There has been a series of squabbles with the United States, squabbles that have lasted more than 30 years. And I sincerely tell you that we feel proud of having been able to resist this huge, gigantic power for more than 35 years — even when the socialist bloc and the USSR collapsed, and everyone believed Cuba would not last. Cuba survives and will survive.

We are not a nuclear power, let alone having petroleum, like Kuwait, Venezuela, or other countries. We don't even have petroleum. We have had to learn again how to ride bicycles. Well, now, learn again or learn for the first time. And we have used animals throughout this entire period.

This blockade has already lasted more than 35 years. And not only has it lasted; there are also fundamentalist groups in the United States that seek the approval of the well-known Helms-Burton bill to further tighten the blockade. In doing this, however, it is meddling with the rights of other nations, with truly brutal measures, which, as you have just said, are absurd for the current times, when peace has been achieved with countries like Vietnam and when nuclear reactors, and even petroleum, are being supplied to Korea.

And why us? Why us? We have not waged any war against the United States. The blockade is cruel. It is tough. It is a measure imposed on the people, on men, women, and children. The blockade is even an act of genocide, and this act of genocide against our country has been maintained for more than 35 years. [end recording]

Castro Addresses Congress

PY1410223295 Madrid EFE in Spanish 1844 GMT 14 Oct 95

[FBIS Translated Text] Montevideo, 14 Oct (EFE) — In a speech to the Uruguayan Congress on 14 October, Cuban President Fidel Castro said that his country "must be prepared for the continuation of the U.S. embargo over a long period of time."

The Cuban president said that "in the United States there are entrepreneurs, groups of intellectuals, and other personalities who oppose the embargo, while international resistance to that arbitrary measure has grown recently."

Fidel Castro emphasized that "at the last UN assembly, practically all countries — more than 100 — opposed the embargo."

"Nobody knows what might happen in the United States over the next 14 months. If the elections are won by the rightist conservative sector, comprised of politically strong and economically powerful groups, not only Cuba but also other Latin American countries will have 'headaches'," the Cuban president said to

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Uruguayan Vice President Hugo Batalla and to deputies and senators.

On 6 October, U.S. President Bill Clinton announced several measures to open channels with Cuba — opening of U.S. journalist offices in Havana, allowing more freedom for people to travel to the island for humanitarian work and purposes, and establishing facilities for the work of nongovernmental organizations supporting the Cuban people.

The economic embargo imposed by the United States on the Caribbean island is more than 30 years old.

"There are signals that can be interpreted as an easing of the embargo, but we Cubans should be ready for its continuation, perhaps for a long time," the Cuban leader added in a slowly delivered speech that lasted more than one hour.

Fidel Castro termed the Uruguayan invitation to visit the country a "courageous gesture, of the type that is currently in short supply in politics."

"Cuba was politically expelled from the continent after the United States exerted terrible pressure. Uruguay and Mexico, however, were the two countries that most strongly resisted the attempt to isolate us," Castro said, adding that "for this reason we are grateful and indebted to both countries."

Uruguay broke diplomatic relations with Cuba on 8 September 1964, complying with a decision by the Organization of American States (OAS) to isolate the Havana regime, despite the fact that Uruguay abstained during the voting. The OAS met at the Uruguayan resort of Punta del Este.

Diplomatic relations were reestablished on 17 October 1985, during the first presidential term of current Uruguayan President Julio Maria Sanguinetti (1985-90).

After giving a historical outline of the Cuban revolution and of the difficulties the embargo has caused for the Cuban people, Fidel Castro emphasized that the Cuban border with the United States "is not in Miami but in Guantanamo, where (the United States) maintains a naval base that my fellow countrymen reject."

"Cuba has never been a satellite of the (defunct) USSR, despite the fact that Soviet support was very useful for mitigating the negative effects of the embargo," Castro added.

Vice President Hugo Batalla, who greeted the Cuban president, said that "we are receiving the leader of a sister nation in the Uruguayan Congress, expecting that his visit will contribute to the creation of a united, strengthened, and hopeful Latin America."

Castro Speaks at Montevideo Town Hall

PY1410233295 Madrid EFE in Spanish
1927 GMT 14 Oct 95

[FBIS Translated Text] Montevideo, 14 Oct (EFE) — Alluding to the problems being experienced by his country as a result of the economic biockade that was imposed by the United States more than three decades ago, Cuban President Fidel Castro today emphasized in Uruguay that "the Cuban people's feat will be written down in" history.

After receiving the keys to the city of Montevideo from Montevideo Mayor Mariano Arana — the second leftist mayor in Uruguayan history — at the Montevideo town hall, Castro emphasized: "We must make unavoidable reforms to improve our system, but also to be better prepared to cope with the multiple problems that the blockade creates for us."

Castro emphasized that the blockade being experienced by Cuba "is cruel" and "all the (U.S.) blows, which were previously shared by the Soviet Union, Vietnam, China, and North Korea, are now dealt to our country."

The presence of the Cuban president, who on 13 October began a 36-hour visit to Uruguay, at the Montevideo town hall attracted a crowd to the building's access ramp. The crowd waved banners from and of Uruguay, Cuba, and the left-wing coalition Broad Front, the country's third-ranking political force. More than half of Uruguay's 3 million inhabitants live in Montevideo.

After delivering a 30-minute speech, Fidel Castro, along with Mariano Arana, Cuban Foreign Minister Roberto Robaina, and other officials, went out to the Montevideo town hall's main balcony to greet the thousands of people present.

Describing one of the main achievements of the Cuban regime, Castro emphasized: "Cuba has the best 'per capita' rate of doctors, teachers, professors, and sports trainers in the world, including all developed countries."

Fidel Castro stressed: "In Cuba, not a single person has been reported missing, murdered, or tortured since the revolution's victory" (1959).

Fidel Castro noted: "I was in Montevideo 36 years, five months, and 11 days ago, and now I am returning, moved by the support expressed by Uruguayans."

The Cuban president emphasized: "Cuba defends its independence, and this struggle does not have a time limit."

The Montevideo mayor noted that the banners raised by Cuban hero Jose Marti, "championing liberty, justice,

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and independence, continue to be shared by Havana and Montevideo."

Arana emphasized: "The nonconformist and rebellious spirit of Cubans represents a standard for Uruguayans."

Arana emphasized the Cuban regime's achievements in health, education, and social coverage, and Uruguay's rejection of the blockade.

Castro Gives News Conference

PY1510030095 Madrid EFE in Spanish
2253 GMT 14 Oct 95

[FBIS Translated Excerpt] Montevideo, 14 Oct (EFE) — Cuban President Fidel Castro asserted in Uruguay today that the single party political system currently in place in his country "will not be modified because it is the best of all, and it has given us good results."

During a news conference, the Cuban head of state said: "In Cuba, neighbors propose the candidates who will run in the local and national elections. Any citizen is eligible for any position, even that of president of the Republic, without having to spend millions on election campaigns, as is the case in nearly all countries of the world."

According to Castro, who arrived on a state visit to Uruguay on 13 October, "we have done quite well with the single party system. The Cuban people participate in elections; there is a 90 percent turnout despite the fact that suffrage is not mandatory. We amended the Constitution not long ago, but the political model continues to be the same, and we do not intend to change it. Now, if future generations deem that it is necessary to modify it, they will do so."

The Cuban president, who has been in power for 36 years, termed the invitation Uruguayan President Julio Maria Sanguinetti presented to him to visit the Oriental Republic "a noble and courageous effort." Castro, 67, stressed that "this is the first official invitation I have received in 23 years."

Having pointed out that Cuba "is returning to the fold" of the Ibero-American community of nations and that it maintains diplomatic relations "with nearly all Latin American countries," Castro acknowledged that the Caribbean island "has problems and we are not trying to conceal them, but in many cases, they are greatly blown up from abroad."

The Cuban leader asserted that the most serious mistake he has made since he has been in the driver's seat "is not to have foreseen the crumbling of the Soviet Union and the socialist world, so that I could have started preparations in Cuba well in advance."

Castro stated, moreover, that his regime has changed its relations with emigrants.

"We used to call them 'worms'; they were basically political emigrants who hated the revolution, and we had no contacts with them. We are now more flexible, less dogmatic. I myself have held talks with many of the last generation of emigrants who fled the country for economic reasons," he pointed out.

The Cuban head of state was of the opinion that his country "is allergic to privileges. Still, we need foreign investors, who obviously go to Cuba driven by the profit motive, but there is a trickle-down effect to the population via taxes."

Castro stated: "The people have understood that we need foreign capital, even from those Cubans residing abroad who are at present the leading investors in Cuba."

Having conceded that the exodus of Cubans (the raft people) to the United States "hurts us grievously," the head of state declared that those who abandon Cuba "are the most learned and well-read emigrants, and that is the merit of the revolution," which toppled the Cuban Government in 1959.

"The United States is full of Dominicans, Puerto Ricans, and Mexicans. If other peoples of the region were to be tempted to immigrate to Miami, as Cubans do, many would surely embark on this journey for economic rather than political reasons," he underscored. [passage omitted]

Commenting on the embargo on trade with Cuba imposed by the United States more than three decades ago, Castro asserted that the next 14 months "will be decisive."

"If those crazy people imbued with ideas that I label as right- wing fundamentalism — who are already in control of the U.S. Congress — are voted into office in the United States, Cuba and quite a few Latin American countries will have many a headache," he noted.

And yet, he added "if those who come to power in the United States are moderate, there will be greater possibilities of improving our bilateral relations."

The Cuban president will end his 37-hour state visit to Uruguay on 15 October. He will then travel to the Argentine city of San Carlos de Bariloche to attend the Fifth Ibero-American Summit of Heads of State and Government.

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Castro: 'No Intention' of Ending Socialism

PY1410230595 Buenos Aires Todo Noticias Television in Spanish 2140 GMT 14 Oct 95

[Excerpt of news conference by Cuban President Fidel Castro with reporters at the auditorium of the Technological Laboratory of Uruguay in Montevideo on 14 October — recorded]

[FBIS Translated Text] [Castro, in progress] ...we would not have been able to resist the blockade or the severe blow the crumbling of the socialist world and the Soviet Union represented for us. That is our system, that is our model, and we have no intention whatsoever of renouncing it. That has never crossed our mind. We have already amended our Constitution, but our central ideas, which stem from that model, have not changed. Now, in keeping with our ideas, future generations will come along, and those future generations will be free to do things in the way they see fit, but so far we are doing fine.

[Gabriel Pereyra from BUSQUEDA] Mr. President, you have just mentioned how important social justice is for the Cuban revolution. The independent press has recently reported about certain situations prevalent on the island, such as, for example, the fact that several professionals trained by the revolution were obliged to lapse into prostitution....

[Castro, interrupting] I beg your pardon?

[Pereyra] Lapse into prostitution. It was broadcast on television the world over how Cuban citizens ventured into the waters of the Caribbean Sea, fleeing the country. I would like to ask you, Commander, how much weight do these things carry with you when you have to assess the advisability of embarking on an opening drive on the island, and are these things in harmony with the principles of the revolution?

[Castro] That is a problem; there are problems. I believe that people exaggerate a bit when they claim that professionals earn a living as prostitutes. There may be an isolated case, because in our country one in 20 — including the newborn infants — is a university professional. Still, every person enjoys complete freedom to do as he or she wishes and may misuse this freedom, exercising, in our view, poor judgment. This notwithstanding, it is still a handsome compliment to our country to hear that education levels in Cuba are so high that even the prostitutes are professionals. [applause]

Castro Leaves For Ibero-American Summit

PY1510182895 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1219 GMT 15 Oct 95

[FBIS Translated Text] Montevideo, 15 Oct (AFP-NA) — Cuban President Fidel Castro today left for San Carlos de Bariloche, Argentina, to attend the Fifth Ibero-American Summit of Presidents and Heads of Government, after paying a 37-hour official visit to Uruguay.

Castro and his entourage departed amid strict security measures at 0730 (1030 GMT) aboard two Tupolev planes of the state-owned Cubana de Aviacion airline from the Carrasco International Airport.

The Cuban president's visit, amid political controversy in Uruguay, began at 1825 (2125 GMT) on 13 October. The visit included three meetings with Uruguayan President Julio Maria Sanguinetti, one in private.

During that meeting on the morning on 14 October, Castro and Sanguinetti discussed the blockade that Cuba has been enduring for 35 years, the $37-million debt Cuba has with Uruguay, and ways to repay this debt.

Uruguayan Foreign Minister Carlos Perez de Castillo did not rule out the possibility of Cuba and the Common Market of the South beginning talks before the end of the year to establish a free trade zone as a way for Cuba to participate in the economic integration process.

Government Official: Castro's Visit 'Very Positive'

PY1510191295 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1605 GMT 15 Oct 95

[FBIS Translated Excerpt] Montevideo, 15 Oct (AFP-NA) — The Uruguayan Government has assessed Cuban President Fidel Castro's state visit to Uruguay as "very positive." Uruguayan Government officials could not hide their satisfaction on Sunday at "having achieved everything possible to enable Cuba to return to the fold of the international community."

One high-ranking member of the executive branch stated: "Those who were expecting dramatic political announcements failed to realize that such a visit is first and foremost an exercise in dialogue." [passage omitted]

Pointing out the existence of "an irreversible process in Cuba, which is already perceptible in the rapprochement between U.S. and Cuban businessmen," the Uruguayan Government deemed that "one cannot expect Cuba to reproach its past."

This government spokesmen considers positive Argentina's decision to favor lifting the embargo on trade with Cuba and improvements to relations between the

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Caribbean island and the Holy See, which now opens the possibility of a visit by Pope John Paul II to Havana.

The same sources further reported that within this new process, Cuba "can no longer be considered a threat." [passage omitted]

Venezuela

Council President Signs Joint Chinese Cultural Agreement

PA1310150795 Caracas EL NACIONAL in Spanish 11 Oct 95 p C-7

[FBIS Translated Text] The PRC and Venezuela strengthened their cultural ties yesterday with the signing of a cultural exchange agreement at the Foreign Ministry. The agreement, signed by National Culture Council (Conac) President Oscar Sambrano Urdaneta and Chinese Vice Minister Liu Deyou [name and title as published], will remain in effect until 1997. The Chinese cultural delegation will head for Chile, Argentina, and Uruguay. The agreements aim to strengthen cultural and bilateral relations between the two countries. The agreements reached by the two parties include, among other things, publication in the PRC of two anthologies — one of poems and another of stories — of Venezuelan authors, under the auspices of the Venezuelan Embassy in that country. There will be a week-long showing of Venezuelan films in the PRC and a week-long showing of Chinese films in Venezuela. Chinese paintings will be on display at the Jacobo Borges Museum during the first trimester of 1997; one or two of the artists and an interpreter will attend. Workshops on making kites are planned. Chinese weavers, basketmakers, and bamboo specialists will hold workshops in Tachira and Lara States in May 1996. Documentaries will also be shown in the two countries under the agreements.

Representative, World Bank Vice President To Sign Agreement

PA1510042995 Caracas Venezolana de Television Network in Spanish 0200 GMT 12 Oct 95

[Report by Pedro Prado from "The News" newscast]

[FBIS Translated Text] The signing of the memorandum of understanding that Venezuela Government representative Luis Raul Matos Azocar and Shaid Javed Burki, Word Bank vice president for Latin America, will sign in Washington affirms the confidence of multilateral organizations in our country. Following this signing, the World Bank will provide technical and financial assistance to our nation.

The assistance of the multilateral institution, which has deemed Venezuela's negotiations with the IMF as positive, will focus on the reform of the financial system and social programs, 13 of which are already financed by the World Bank for $1 billion. Emphasis will be placed on the consolidation of neighborhoods [barrios], the reorganization of the Venezuelan Social Security Institute [IVSS], and other aspects. It was also concluded that long-term economic projects are promising:

[Begin Fernando Egana, Central Information Office director, recording] According to the memorandum of understanding, it was recognized that Venezuela is negotiating an important agreement with the IMF, and the World Bank believes this is a very positive development. [end recording]

This Thursday, loans totaling $150 million were given for three specific areas:

[Begin Egana recording, broadcast in progress] ....social development, which provides support for basic health, nutrition, and education for vulnerable groups, particularly women and children in very low income rural and urban areas; and two, the furnishing of neighborhoods. This loan will be destined to improve infrastructure in neighborhoods, including the supply of water, sewer lines, electricity, paved roads, and garbage collection. In addition, the reform of the social security system.... [pauses] this program is intended to reorganize the IVSS. [end recording]

The memorandum of understanding will be signed at 1500 this Thursday, and Finance Minister Luis Raul Matos Azocar on 16 October will inform the public about this mission before multilateral financial organizations.

The government still hopes the letter of intent with multilateral organizations will be signed before the end of 1995.

Devaluation of Bolivar, Gasoline Price Hike Deemed 'Urgent'

PA1410121995 Caracas EL NACIONAL in Spanish 11 Oct 95 p E-2

[Report by Enriqueta Lemoine]

[FBIS Translated Text] New York (Special report) — According to the IMF and the World Bank, the exchange rate adjustment (bolivar devaluation) and the stabilization of the gasoline price in the local market are the two most urgent measures that the Caldera administration will have to take to initiate a workable macroeconomic adjustment and stabilization program that can be backed and financed by multilateral banks.

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Multilateral organizations sources in Washington have told EL NACIONAL that, in addition to the Venezuelan economy's present imbalances (fiscal deficit, a severe drop in the non-oil GNP, severe inflation, and rising unemployment rate), the Caldera administration faces another problem, lack of credibility.

On several occasions, the Venezuelan Government has pledged to take measures and then nothing happened, the source said recalling the commitments made one year ago when then Finance Minister Julio Sosa Rodriguez said price controls, interest and exchange rates, which responded to an emergency situation, would "shortly" be replaced by a coherent economic program.

This position was reiterated by Walter Corrales when he went to Washington as minister of the Office of Coordination and Planning; Luis Enrique Berrizbeitia, Venezuelan representative to the IMF executive directorate; and since August, by Public Finance Minister Luis Raul Matos Azocar, who has been leading the talks with IMF.

The source said: "The only achievement they can show is the recent adjustment of the gasoline price. But this is a symbolic measure because evidently most of the price of fuel in Venezuela continues to be subsidized."

Regarding whether the exchange rate adjustment and the price of gasoline are part of the so-called Venezuelan Agenda, the official only said that the agenda is not an economic program but a list of general statements and could be the agenda of any one country at any time. He also said that what the government has presented so far does not include specific measures on how to attain the gradual deficit reduction and exchange rate control goals. This information was corroborated by a high official of the Caldera Administration, who spoke on condition that his name remain undisclosed.

Both the World Bank and the Inter-American Development Bank are conditioning the possibility of approving any type of loans for financing reform programs and development programs of a high social impact to the signing of a letter of intent with the IMF.

In view of this panorama, taking politically unpopular measures such as the bolivar's devaluation and a new raise in the price of gasoline, all of which would evidence the government's willingness to draft and implement an orthodox government program, seems to be the only remaining way out for the government if it expects to attain an understanding with IMF, a multilateral bank official said.

Caldera, SELA Analyze Businessmen's Role in Integration

PA1410160295 Caracas EL GLOBO in Spanish 13 Oct 95 p 2

[FBIS Translated Text] President Rafael Caldera and Salvador Arriola, former SELA [Latin American Economic System] secretary, have analyzed the new role businessmen must play within the integration process, according to which the private sector "must take advantage of the new opportunities this process is offering" in the economic arena.

This is what Arriola said as he came out of the meeting he held with the chief of the Venezuelan state. He bade farewell to his post as SELA ambassador, because he is leaving the post. He voiced his gratitude for the support the Caldera government has expressed for the initiatives taken up by the regional organization headquartered in Caracas.

Following the meeting held at the presidential office, the diplomat of Mexican origin explained that the role the private sector must play in this new path toward integration was one of the main issues discussed during the meeting he held with the Venezulan president.

He added that we were talking about the future integration tasks we must carry out. President Caldera maintained that businessmen basically have to take advantage of the new opportunities. I am very pleased because SELA currently has initiatives regarding the region's relations with the United States, Canada, Japan, the PRC, EU, the Eastern European countries, 50 UN countries, and the 50 IMF and World Bank countries. Likewise, we are closely following up on all matters pertaining to the World Trade Organization, formerly GATT.

Arriola is very pleased with the work he did as SELA secretary general, a post he held for four consecutive years. He is leaving after holding 35 meetings outside Caracas, meetings in which the SELA countries maintained better relations.

Industry Officials Warn Lack of Dollars May Cause Shortages

PA1610042695 Caracas Venezolana de Television Network in Spanish 0200 GMT 12 Oct 95

[Report by Zaida Pereira; from "The News" newscast]

[FBIS Translated Text] Venezuelan Council of Industry [Conindustria] President Pedro Carmona, joined by the most important representatives from the sector stated that [words indistinct] foreign exchange has not been approved in more than a month, and a shortage could result.

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He acknowledged, however, that this is not due to a shortage of dollars at the time the dollars are requested but to the export of the finished products, which causes an artificial shortage in other [words indistinct] in the border countries because of a big exchange rate differential.

[Begin Carmona recording] We would be making a net transfer of resources to our neighboring countries, which does not benefit the country. Evidently, what we see today is that timely exchange rate projections and the adoption of policy principles that should have been structured long ago were not made. [end recording]

The pharmaceutical industry sector, in the meantime, is almost reaching the limit of its reserves, pharmaceutical industry representative Raul Mejuto stressed.

[Begin Mejuto recording] The average inventory in the pharmaceutical industry is about 45 days. What does this mean? That we are at an absolute critical state. Every medicine, from the time the raw materials are imported until it is available in the market, requires an average of two months, or 60 days. This means that if the procedure to authorize foreign exchange is not activated, we are going to have serious problems the rest of the year. [end recording]

On Defense Minister Moises Orozco Graterol's accusations that the economic sector is responsible for the recent rumors, the industrial sector stressed that there should be no generalizations. The defense minister should, in any event, make individual accusations.

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